

INTERNATIONAL  
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TOMORROW'S WEATHER FORECAST - PARIS:  
High 59, Low 44. Tomorrow's high 59, low 44.  
LONDON: High 59, Low 44. Tomorrow's high 59, low 44.  
NEW YORK: High 60, Low 45. Tomorrow's high 60, low 45.  
ADDITIONAL WEATHER-CONUS PAGE.

28,767

PARIS, SATURDAY-SUNDAY, JULY 19-20, 1975

Established 1887



EMENTO—Soviet cosmonaut Valeri Kubasov presenting a gift to U.S. astronaut Vance Brand during televised activities in space Friday, the second day of joint tests by American and Russian spacemen. The gift was a medallion marking the joint venture.

Hopeful on Cooperation, Peace

Space Crews Proclaim a 'New Era'

HOUSTON, June 18 (AP).—S. and Soviet spacemen today celebrated their friendship aboard the Apollo-Soyuz craft and proclaimed the dawn of a "new era" for man.

"When we opened this hatch, space was opening back to earth a new era in the history of man," Brig. Gen. Thomas Stafford, the U.S. commander, said during a 20-minute news conference from space.

The astronauts and cosmonauts looked at a new age of cooperation and peace, of factories in space and of voyages to other worlds.

Televised views of the men during the news conference showed Gen. Stafford and Col. Alexei Leonov, the Russian commander, together in the Soyuz spacecraft. Astronauts Donald Layton and Vance Brand of the United States were grouped with cosmonaut Valeri Kubasov in the Apollo craft.

Farrells Taken  
The conference was held only a few hours before farewells and the final closing of hatches, ending the mingling of the Soyuz and Apollo crew members. The spacecraft will undock and part tomorrow.

Col. Leonov said he viewed the joint space flight as "only the beginning of a great human journey into outer space," and called it "a great, grandiose human effort in space."

Mr. Brand said that cooperation between men will lead mankind to distant worlds. "The time will come when we'll explore planets together," he said. "It would bring benefits back to the whole world."

Mr. Kubasov, who on an earlier Soviet flight became the first man to weld in space, forecast a new age when space exploration will create a better life on earth. "The time will come when space will have whole plants, factories for the production of new materials and new substances with new properties which could be made only in space," he said.

Stranger Metals  
Earlier experiments in space have raised the hope that by melting metals in space, where there is no gravity, the metals will be stronger and more durable. Molten metals cooling on earth develop weak spots due to the effects of gravity.

Mr. Stafford, who had been a World War II pilot in Europe, was asked how the Continent looked from space. He called it "mighty beautiful from up here. I just wish everybody down there could have the opportunity to look at it [from space] for themselves."

Col. Leonov was asked about his sketches and produced what he called a "portrait gallery in space." The sketches done in orbit included two of Gen. Stafford and a view of Mr. Stafford wearing a cowboy hat.

Mr. Brand, asked what news he would like to hear from earth, said: "It would be nice to hear that everything was more peaceful over many areas of the world, that the world is really coming together."

Shortly after the news conference, the spacemen exchanged farewells.

White Spruce Seeds  
Gen. Stafford gave Col. Leonov a box of white spruce seeds, a special variety developed for cold climates, such as that in the Soviet commander's native Siberia. There were enough seeds

in the box to plant an acre of trees and Col. Leonov said they would do well "in the climate of our country."

In his final remarks, Gen. Stafford said: "I am sure that this flight will open the way to further cooperation and friendship between our countries."

Just before the hatch to the tunnel connecting the spaceships was closed, Gen. Stafford said: "Our next meeting will be on the ground."

Then the crewmen, who had been together for nearly 26 hours, returned to their respective craft. On the second day of joint space work, the men of Apollo and Soyuz performed experiments and went back and forth between the two spacecraft.

3 Arabs Die In Battle At Border Of Israel

TEL AVIV, July 18 (UPI).—An Israeli Army patrol killed three Arab guerrillas today in a battle near the town of Metulla near the Lebanese frontier, the military command said.

A command spokesman said that the battle took place in an orchard just outside Metulla and that the guerrillas were carrying machine guns, bazookas, hand grenades and leaflets in Arabic and Hebrew demanding the release of guerrillas being held in Israeli jails.

An Israeli soldier was slightly wounded in the clash, the spokesman said.

Asked about reports from Beirut that Israeli artillery shelled two villages on the Lebanese side of the frontier following the battle, authorities said, "Israeli positions opened fire to retaliate for the infiltration."

(In Damascus, a Palestinian guerrilla group said tonight that several of its troops blew themselves up together with a number of Israeli hostages after a fierce battle today near the Israeli-Lebanese border, Reuters reported.)

The Popular Struggle Front said that their guerrillas killed themselves after their ammunition, rockets and grenades had been exhausted.

(But it did not say how many guerrillas or hostages were involved.)

The battle took place at about the same time as police arrested two men trying to carry explosives into Ben Gurion International Airport near Tel Aviv, a police spokesman said. Police sources said that the two were spotted by a policeman at a roadblock as they walked toward the airport from the nearby town of Lod.

A police communiqué said that the two men were being interrogated on a suspicion of attempting sabotage at the airport.

The Israeli radio said that the guerrillas killed near Metulla were members of the Arab Liberation Front, a group that the Israeli military command blamed for the June 15 attack on the nearby settlement of Kfar Yuzuf. Metulla is the northernmost settlement in Israel, situated at

Israel gives U.S. details of its views on Sinai settlement for relay to Egypt.

The tip of a finger of land surrounded on three sides by Lebanese territory.

Military sources said that the guerrillas crossed the border at about midnight and that a search for them began immediately. They were killed at about 11 a.m., the spokesman said.

Mrs. Sakharov Allowed To Leave Soviet Union

MOSCOW, July 18 (UPI).—Yelena Sakharov, wife of disabled nuclear physicist Andrei Sakharov, received permission today to travel to Italy for treatment of an eye condition she feared might make her blind, her husband said. She had been refused twice.

"This is completely unexpected," Mr. Sakharov told Western newsmen by telephone.



AMIN SHIRI—Man in Kampala wearing colorful commemorative shirt bearing a portrait of Ugandan President Idi Amin, chairman of the Organization of African Unity whose conference opened in Kampala on Friday.

Ministerial Session Begins

Amin Urges OAU to Prepare For War in Southern Africa

KAMPALA, July 18 (Reuters).—President Idi Amin of Uganda today told the Organization of African Unity it should be prepared to fight in southern Africa and described Pretoria's policy of détente with black Africa as a "deadly poison."

Field Marshal Amin was addressing the opening session of the OAU's 23rd ministerial council, which is preparing the ground for the 12th OAU summit meeting July 25.

The Ugandan leader, who spoke for an hour, told delegates: "The continuation of the policy of apartheid is an invitation to the whole of free Africa to war and we must be prepared to fight to the last until our brothers in southern Africa are free and independent."

Earlier in his speech he said: "The deadly poison to the unity, fraternity and independence of African states is now in its final stage of preparation in the political laboratories of the South African regime. The name of the poison is détente."

He said that through détente South African Prime Minister John Vorster planned to lure Africa into a false sense of security.

President Amin said Mr. Vorster wanted to buy black Africa's cooperation and then destroy the Africans in his country completely. It was Mr. Vorster who must be destroyed, he added.

Vorster and the regime he represents must be uprooted and if need be by force of arms," he said.

Earlier, the OAU admitted Mozambique, Cape Verde, Sao Tome and Principe, and the Comoro Islands, raising its membership from 42 to 46.

Maunius proposed that the four, which had all applied to join, be admitted. It was seconded by Sierra Leone and approved by acclamation.

After formal replies to President Amin's speech there was an official reception. The ministers will get down to substantive business tomorrow.

They have the task of preparing an agenda for the summit and drafting most of the resolutions the heads of state will eventually vote on.

Two Topics  
Two topics that are certain to come under the heading of African decolonization are Southern Africa and the turmoil in Angola. But because of its delicate nature, the ministers may hold off on Angola and let the heads of state draft this resolution themselves.

Other items are expected to be the Middle East, African-Arab cooperation and a Sudanese proposal that it should be host to the 15th OAU summit in 1976.

There will be a three-day break between the end of the ministerial meeting Friday and the start of the summit July 25, during which there will be an OAU car rally.

The Voice of Uganda said that Field Marshal Amin would take part, at the wheel of his high-powered car. There is also expected to be a beauty contest.

Officials also said that President Amin plans to stage a dramatic attack against dummy South African installations during the meeting, according to UPI.

(To entertain the leaders next week, they said, Soviet-built jets of the Ugandan Air Force will bomb an island designated "Cape Town" in Lake Victoria a few miles from here.)

Lisbon Military Alerts Forces as Tension Mounts

By Henry Ginger

LISBON, July 18 (NYT).—Portuguese military forces went on full alert today as the conflict between the Communist party and moderate forces began to move into the streets and reports of a possible coup created the greatest tension in months.

Military security forces, which confined all troops to barracks, contributed to the tension by warning that it would use "force of arms" against possible action by "counter-revolutionary forces" outside the country to take advantage of the present political division in Portugal. Thousands of rightist supporters of the regime overthrown last year have gathered in Spain and the security command referred to the Portuguese Liberation Army that these rightists are alleged to have formed as a possible source of trouble.

Three major factors were contributing to the tension. One was the confrontation between the Communists and the Socialist and Popular Democratic parties, which broke with both the Communists and the armed forces and resigned from the government.

The second was a renewed behind-the-scenes offensive by an apparent majority to oust Premier Vasco dos Santos Goncalves, the Communists' principal ally, who is trying to form a new government without political parties.

The third was persistent reports from the Portuguese Azores of an imminent attempt at a breakaway from Lisbon by conservative groups that dominate the islands.

The Communists, attempting to portray the moderate parties as subversive counter-revolutionaries who had aligned themselves with the right, appeared to have lost a first street battle tonight in the northern city of Oporto, where they sought unsuccessfully to block a Socialist rally in a football stadium. Communist-led trade unions, backed by radical officers who now run the municipal council, called for a counterdemonstration in the center of the city and for roadblocks to prevent Socialist supporters from reaching Oporto.

But in the essentially conservative city, the Communists found themselves outnumbered and their roadblocks of barbed wire and snail-shelled tanks were quickly dismantled by the Socialists with almost no opposition. The Communist rally drew only a few thousand persons to the central square while tens of thousands of Socialists and sympathizers filled the stadium.

Greater Threat  
The Communists represented a greater threat in Lisbon, where they also called for roadblocks to stop a Socialist street demonstration tomorrow night. Communist leaders accused the Socialists of organizing "a march on Lisbon" and said that tomorrow's demonstration was meant to promote the formation of a rightist government.

"We must block the way to reactionaries," the leaflets said. "We must erect barricades to prevent any march on Lisbon."

In accusing the Socialists of trying to march on Lisbon, the Communists were referring to the way in which the first republic was killed in 1826 by rightist-led military forces that came down to the capital from the north.

The Socialists indignantly denied the charge. (Continued on Page 2, Col. 4)



Helmut Schmidt

Bonn Plans \$2 Billion in Public Works

By Craig R. Whitney

BONN, July 18 (NYT).—To combat the continuing recession, the West German government plans to start a \$2-billion program of public works this fall, according to a government spokesman.

Chancellor Helmut Schmidt plans to coordinate the program with French President Valéry Giscard d'Estaing when the two men meet here in Bonn next Friday, according to the spokesman, Klaus Boelling.

Mr. Schmidt has thus clearly given up hope that the West German economy will recover by itself over the summer. Despite a \$8-billion tax cut, and \$24 billion in federal, state and local budget deficits, more than a million persons are unemployed here, and the industrial order books are not being filled with contracts for the fall.

The German Cabinet plans to review the economic situation at the end of August and the beginning of September and decide on new measures then.

Contingency Plan  
The Finance Ministry, however, has already been drawing up contingency plans. They include one for a \$3-billion recovery plan, which would include about a billion dollars for a program of public-works construction.

"If the recession continues, the wisest thing this government could do would be to start a sort of New Deal—build schools, bridges, roads, anything to pump money and jobs into the economy," a neutral diplomat observed recently.

The West Germans, having tried about everything within their government's power so far, have been saying that an economic recovery there depends on one in the United States. Mr. Schmidt has said he is skeptical about recent pronouncements from Washington that the recovery is at hand, but hopes they will turn out to be correct, according to his close aides.

Exports Lag  
Exports of finished industrial goods, long the motor of the West German economy, are lagging this year because the recession is also affecting the countries Germany sells to. Otto Schlecht, an official of the Economics Ministry, said today that the country would probably have a trade surplus of "only" \$2 billion this year, compared to \$2 billion last year. West German exports to the United States in the first four months of 1975, for example, ran \$314 million less than in 1974.

An investment-tax credit, that was supposed to stimulate private industry to spend capital expended at the end of June. It apparently did not have the desired impact, according to recent bank reports.

Yesterday, the Central Bank in Frankfurt lowered reserve requirements on foreign liabilities, adding nearly \$600 million to the funds private banks have available for lending. The Central Bank has also steadily lowered West German interest rates. The Central Bank rate is now only 4 1/2 per cent.

Brought Home From Melbourne by Police  
Stonehouse, Secretary Jailed in London

By Bernard Weinraub

LONDON, July 18 (NYT).—John Stonehouse returned to London today, closing a chapter in the bizarre story of the British member of Parliament who disappeared in Miami Beach last year and was later arrested in Australia, where he turned up under an assumed name.

Accompanied by Scotland Yard detectives, the 50-year-old former Labor minister landed at London's Heathrow Airport aboard a British Airways flight from Melbourne. Mr. Stonehouse and his former secretary and companion, Mrs. Sheila Buckley, 28, were driven by police to the Bow Street station.

A few hours later, he was charged on 21 counts of fraud, theft and forgery involving a total of \$170,000 (\$374,000) and Mrs. Buckley on six counts of fraud, theft and conspiracy. They will appear in the adjoining magistrates' court tomorrow morning. He is expected to ask for bail. If it is refused, he can appeal to a judge in chambers.

Night in Jail  
Mr. Stonehouse and Mrs. Buckley were retained overnight in cells at the Bow Street station until their 10:30 a.m. hearings Saturday, Reuters reported.

The arrival of Mr. Stonehouse ended his long, unsuccessful flight to avoid extradition.

He has said in recent months that he fled England, staged his disappearance in Miami Beach and entered Australia under a false passport because of "incredible pressures" in business that led to a mental breakdown and a longing to "create a new identity and attempt to live a new life."

Hopes to Explain  
Mr. Stonehouse told an interviewer for Independent Television News aboard his plane last night that he hoped to appear before the House of Commons to explain his disappearance.

"If I don't get bail, I shall be convinced that someone is trying to stop me from going to the House of Commons," said Mr. Stonehouse, a Labor member of the House since 1967 who has served as minister of aviation, minister of state for technology, postmaster general and minister of posts and telecommunications.

"I am not asking for charity. I am seeking clarity," he said. Both his Labor and Conservative colleagues have been shaken by Mr. Stonehouse's odd behavior. He recently posed for a London tabloid reading a book "World-famous Acquittals," and has made



John Stonehouse

At his first appearance in court on Dec. 26, Mr. Stonehouse appealed to remain in Australia as an immigrant and explained that his disappearance had been brought about by a mental breakdown caused by business and political pressures.

By April, after investigations by Scotland Yard, a warrant was issued in London for Mr. Stonehouse and his secretary, who had flown to Australia in February. After months of legal wrangling they lost their fight against extradition.

Christian Democrats Gather To Weigh Ouster of Fanfani

ROME, July 18 (UPI).—Rival factions in the ruling Christian Democratic party held last-minute talks today about chances tomorrow of ousting party leader Amintore Fanfani following election losses to the Communists.

But politicians said that the attempt may fail in view of Mr. Fanfani's firm refusal to quit and because of divisions among his foes.

"Vote against me if you feel you have to," party sources quoted Mr. Fanfani as saying. "And condolences to my successor."

The party's National Council was scheduled to meet tomorrow through Monday for a post-mortem on last month's nationwide regional elections, in which the Communists gained 25 million votes and came close to ousting the Christian Democrats for the first time.

Share in Government  
Although no Parliament seats were at stake, the leftist landslide lent weight to Communist demands for a share in the government, from which they have been barred for 28 years. It also gave them local power in at least four of Italy's 20 regions and dozens of cities and towns.

Four moderate and left-wing factions controlling about 70 per cent of the Christian Democratic

party membership blamed the election losses on Mr. Fanfani's conservative policies.

Political sources said that all the factions wanted to oust Mr. Fanfani as party secretary, but found it hard to agree on a successor.

Flaminio Piccoli, a 59-year-old moderate who was party secretary once before, was mentioned as the leading candidate. But politicians said that some groups in the party were in favor of a collective leadership to last until after a party congress in October.

Party president Benigno Zaccagnini, a friend of Premier Aldo Moro, was mentioned as possible head of a three-man leadership.

Backward Position  
Seventy Christian Democratic Parliament members in a letter to the party council said today that the Communists gains showed that Italian voters had come to consider the Christian Democrats as defenders of backward positions. They called for an end to organized factions inside the party and for a gathering of politicians, intellectuals, labor leaders and businessmen to discuss a renunciation of the party.

The stock market, which has been dropping steadily since the Communist election gains, hit a new 20-year low today, losing 5.3 per cent in 15 days.



## Israeli Views On Sinai Go To Kissinger

### Details Are Given For Relay to Egypt

WASHINGTON, July 18 (AP).—Israeli Ambassador Simcha Dinitz today gave Secretary of State Henry Kissinger a "comprehensive picture" of Israeli views on a Sinai settlement for relay to Egypt.

Talking to reporters after the hour-long meeting, Mr. Dinitz rejected Egyptian charges that Israel is stalling.

"My answer is to look at my calendar," Mr. Dinitz said. "In the last 14 days I believe I had five meetings with the secretary of state, a meeting between my Prime Minister Yitzhak Rabin and the secretary of state, two trips across the Atlantic, numerous telephone calls and meetings with other State Department officials. I hardly call it stalling."

However, Mr. Dinitz indicated that the next move is up to Egypt—and to the United States to elicit an Egyptian response to Israel's still-undisclosed "new ideas" for an interim agreement in the Sinai Peninsula.

### Kissinger Talks Next

As a result of his talks with Mr. Kissinger, the ambassador said, "The United States now has a pretty comprehensive picture of the views and the concepts and the proposals that Israel has in mind."

"The next step, I presume, will be that the thinking will be transferred to the Egyptians. How exactly it will be done and when is of course, a matter for the U.S. government to decide."

Herman Ellis, the United States Ambassador to Cairo, will remain here until Mr. Kissinger reviews the Israeli Cabinet's latest positions, as brought to him yesterday and today by Mr. Dinitz. Officials said Mr. Ellis would return to his post this weekend.

### Egypt Seeks Breakthrough

CAIRO, July 18 (Reuters).—Egypt is believed to be hoping for a quick breakthrough in new Middle East peace moves that would lead to a renewed mandate for the UN peace-keeping force in Sinai.

A commentator in the Cairo daily Al-Ahram said today that Egypt's decision not to renew the UN mandate when it expires Thursday was designed to exert pressure on the Security Council with its responsibilities and "get out of the circle of nonsense diplomacy and regain our land." However, there is no deadline for the troops to withdraw.

### Senate Backs Israel

WASHINGTON, July 18 (AP).—With minimal discussion and without dissent, the Senate today passed a resolution that sharply criticizes efforts to expel Israel from the UN.

## 2 Dead Priests, 5 Others Found In Honduras Well

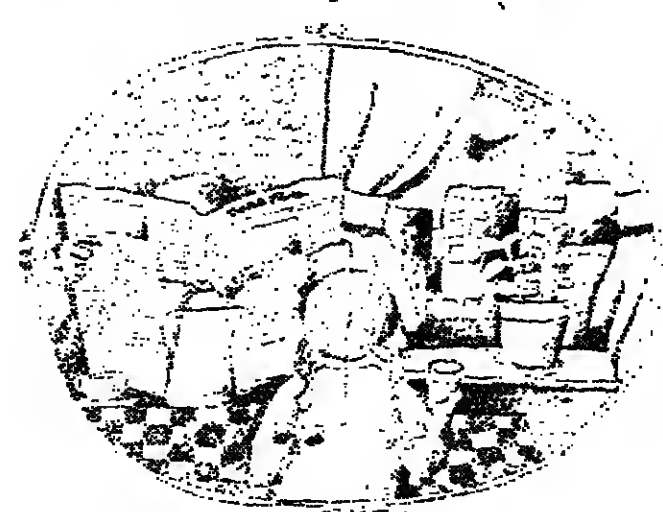
TEGUCIGALPA, Honduras, July 18 (AP).—Seven bodies, including those of a U.S. and a Colombian priest and of others who took part in a peasant protest, were found in a dynamite well in eastern Honduras, the government said today.

The government said it was searching for at least two or three more bodies at the same site.

"Two priests were identified as the Rev. Michael Cypher, 35, of Bedford, Wis., and the Rev. Ivan Betancourt, 35, of Colombia. Three others were identified as José Martínez, a professor, and two women students at the University of Honduras, Ruth García of Honduras and María Vargas of Colombia, a sister-in-law of Father Betancourt."

The other unidentified bodies were those of two men, the government said. The peasant protest last month demanded land reform measures.

### Share a morning in Manhattan.



Home is just a phone call away.



AS SEEN IN MOSCOW (AND ELSEWHERE)—Russian family in Moscow watching live television from space—in this instance a member of the Apollo team in docking module.

## Farmers in Portugal Region Resist Communists, Regime

RIO MAIOR, Portugal, July 18 (AP).—Hooking his thick fingers in a stranglehold, Luis Madeira, an apple grower, said: "This is the last straw. This is absolutely the last straw. We are not going to take it any more."

The strong words were spoken in the Farmers' Union Hall.

In the last few days, the farmers in this rich agricultural district have sacked the Communist party headquarters, chased several Communist officials out of town, torn thousands of newspapers to confetti for what they claimed was distorted reporting and were now threatening to block the Lisbon-Oporto road with tractors and, if necessary, cut off food supplies to Lisbon, about 50 miles to the south.

"This could be the start of something important," said Adriano de Oliveira Martins, another of Rio Maior's 8,000 farmers.

The immediate cause of the peasant dissent regarding the Communist-oriented military regime was what both Mr. Madeira and Mr. Oliveira Martins called a Communist party attempt to run their lives.

More than a year ago, just after the rightist regime was

## Makarios Regime Bars Proposals of Turkish Cypriots

NICOSIA, July 18 (AP).—The Cyprus government quickly rejected today a set of Turkish-Cypriot proposals for the establishment of a joint transitional government on the war-torn island.

The proposals, put forward by Turkish-Cypriot leader Rauf Denktaş, would have required the government of President Makarios to accept the existing Turkish-Cypriot leader Rauf Denktaş and to share power equally with it.

Responding less than four hours after receiving Mr. Denktaş's proposals, Glafkos Clerides, Archbishop Makarios's deputy and representative of the Greek Cypriots in the intercommunal peace talks, said they were "completely unacceptable."

"They cannot even form the basis for negotiations," he added in a press statement.

Mr. Clerides's statement said the Turkish-Cypriot proposals "aim at the abolition of the government of the Republic of Cyprus, which has international recognition, and the continuation of the occupation by the Turkish forces of 40 per cent of the territory of the republic."

"They ignore the fact that the Greek Cypriots constitute 82 per cent of the total population, while the Turkish Cypriots constitute only 18 per cent," he said.

## Tension Rises In Portugal

(Continued from Page 1)

ed any subversive intentions and said they "will never give up their inalienable right to meet and demonstrate whatever the obstacles that pseudo-revolutionary forces seek to raise."

The party called on "competent authorities" to enforce the right of assembly and maintain public order. The militia security forces did not indicate what their attitude would be to the Communist efforts to block the Socialists.

This effort began late tonight with some roadblocks on the road leading into Lisbon from the north. There was no effort by militia or police forces to stop the Communists from putting up roadblocks.

The Socialists and Popular Democratic demonstrations in Lisbon and the north are meant to protest what they see as a threat of a Communist take-over of key power centers, such as the news media, and an effort to move the revolution toward the establishment of an Eastern-style people's democracy. These were the issues that led to the breakup of the coalition.

Indications of a strong tide against the Communist party were given by three more anti-Communist attacks in northern towns following the attack on Communist headquarters in Rio Maior, 50 miles north of Lisbon, last Sunday. The headquarters of the party was wrecked in Louisa and Cadaval, near Rio Maior, while in Batalha a Communist-sponsored meeting was broken up last night.

The Communist warning of a possible rightist government took on considerable point with the effort by part of the Revolutionary Council to replace Premier Gonçalves. The latter continued to be backed by President Francisco de Costa Gomes, who asked him to form a new government of military men and civilian technicians.

Some of the Revolutionary Council were close to the Socialist viewpoint, while others opposed the Premier on the ground that he was incompetent and had allowed the country to fall into political and economic chaos. This faction, headed by Gen. Otelo Saraiva de Carvalho, the security commander, is also opposed to the political parties and favors political structures that disassociate with them.

Gen. Carvalho took a neutral attitude toward the Communist-Socialist fight in the communiqué his command issued. It did back the Socialist denials of a march on Lisbon but deplored the divisions that it said were encouraging rightist forces to seek to restore the old regime. The general appeared to be a key figure in the present power struggle and there continued to be speculation that he would seek to resolve it by seizing power himself.

He took the unusual step today of releasing several hundred extreme leftists belonging to the Maoist Movement for the Reorganization of the Portuguese Revolution from prison, where they had been kept for a month on a general charge of trying to promote subversion within military units.

Security Talks Still Unfinished

GENEVA, July 18 (Reuters).—European Security Conference delegates tonight went ahead with a champagne party planned to celebrate the end of 22 months of talks even though they were still trying to bring them to a successful conclusion.

The edge was taken off the festivities because Turkey and Cyprus were embroiled in a dispute on the question of military maneuvers. This prevented the leaders of the 35 delegations once again from confirming the date of a conference summit.

The delegation heads were due to meet in a last-ditch effort to meet a self-imposed deadline to confirm the decision taken in principle last Monday for a summit meeting in Helsinki on July 30.

## Fighting Goes On In Suburbs of Angolan Capital

LUANDA, Angola, July 18 (Reuters).—Fighting among rival liberation groups continued today in Luanda's northern suburbs, but life in the rest of the Angolan capital, where there is an uneasy quiet, has returned to normal.

In the north of the city, there have been clashes in the Mucunda suburb districts, lying between two of Luanda's industrial zones. Two vital installations are in the area—the Petrolco oil refinery, which supplies virtually all of Angola's fuel, and the city's biggest flour mill.

So far, there has been no shortage of gasoline or diesel fuel, but bread supplies are still limited. Queues up to 500 yards long have formed outside bakeries.

A spokesman for Gen. António Silva Cardoso, the Portuguese high commissioner said last night that the situation in Dala Tando (formerly Salazar), 150 miles east of Luanda, was returning to normal after serious incidents earlier this week.

Fresh clashes were reported, however, in Saurimo (formerly Henrique de Carvalho), 350 miles east of Dala Tando and in the eastern city of Luso. No details of the clashes were available.

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Falkenturm Strasse 9, Munich.

## Calm, Curious Muscovites View Link-Up

### Crowds Watching TV Show Little Emotion

By James F. Clarity

MOSCOW, June 18 (NYT).—A heartset Russian woman in a beige dress watched the Apollo-Soyuz docking on a color television set in a Gorki Street shop, blocking with her bulk many of the other viewers, who grumbled and pushed closer.

"I hope they don't shove each other like this in space," she said loudly without budging. Some in the crowd tumbled and moved to another set, or to the door, presumably to watch a replay of the docking later.

Generally, Soviet citizens here witnessed the cosmic event with curiosity and calm enthusiasm. Aware of their nation's previous space feats and subjected to heavy Soyuz-Apollo publicity before the mission, people here accepted the spectacle without much outward show of emotion. The docking occurred at Moscow's evening mealtime and millions of Muscovites watched it on television at home.

Virtually everyone was aware of the event, hailed in the Soviet news media as an important scientific achievement as well as a valuable improvement in Soviet-U.S. relations. But most people who were observed watching the docking seemed to respond to it more as a theatrical happening, rather than a political or scientific one.

### 'Political Side'

"Everyone knows the political side of it," said a middle-aged Russian man. "They've no need to talk about it." A journalist from Soviet Armenia, asked for political comment, said that "this cooperation in space has proven that with friendship between our great peoples, we can achieve great success on behalf of the entire world."

There were official and quasi-official salutations for the Apollo-Soyuz crews. They were, for example, the Soviet ambassador to the central Asian city of Samarkand, the 15th-century home of Ulugh Beg, a grandson of Tamerlane and an astronomer of repute. Kind words also came from gymnast Olga Korbut, who recalled that she once visited Houston and met Vance Brand of the Apollo crew.

Television coverage, live and replays, was extensive last night. In between reports on the mission there was a film of U.S. pianist Van Cliburn performing works by Rachmaninoff and Tchaikovsky. But at the moment of docking, on Moscow's third television channel, there was a rerun of "Virgin Soil Upturned," based on the novel by Mikhail Sholokhov.

### Silent Viewers

At several of the public places where Muscovites were able to watch the docking on television, there were clusters of persons who stared mostly in silence, at the link-up of the two spacecraft.

In the Gorki Street shop, there were perhaps 200 people, most of whom pressed around large-screen color sets, when some of them could have watched, with less shoving, at smaller, black-and-white sets a few feet away.

A robust-looking man in shirt-sleeves munched a garlic sausage as he watched and his fellow watchers complained about the smell, referring to the astronauts on the screen, he said. "Don't worry, it won't bother them up there."

## Senators Clear Butterfield of CIA Connection

WASHINGTON, July 18 (AP).—The Senate Select Committee on Intelligence has found "no scintilla of evidence" to substantiate the allegation that former presidential aide Alexander Butterfield was a CIA agent inside the White House. Sen. Frank Church said today.

"In fact," Sen. Church, D-Idaho, said, "the evidence is directly to the contrary." Sen. Church also said his committee's investigation of the charge also ruled out the possibility that Mr. Butterfield served as a liaison officer for the CIA.

The senator, chairman of the committee, issued the first denial given by an avowed investigator of the charge made last week by retired Air Force Col. Fletcher Prouty. Mr. Prouty alleged that Mr. Butterfield, who revealed the existence of the White House tape system, was a CIA contact officer at the White House.

Sen. Church said that "on close investigation, Mr. Prouty is unable to substantiate his earlier statement and acknowledges this to be the case."

### Franco Holds Reception

MADRID, July 18 (AP).—Generalissimo Francisco Franco, 82, today entertained his Cabinet and the diplomatic corps at La Granja Gardens, 50 miles north of Madrid, to commemorate the 39th anniversary of the beginning of the civil war.

### 'We Are Friends'

"We have found very good hospitality here aboard the Soyuz," said the astronaut. "We are friends. We understand each other very well."



Cosmonauts' wives, Ludmila Kubasov and Svetlana Leonov, after watching space TV.

## Two Cosmonauts' Wives Feel Excitement, Alarm and Pride

MOSCOW, July 18 (AP).—Anxiously watching their husbands' exploits in space, Svetlana Leonov and Ludmila Kubasov are eagerly looking forward to the return of the cosmonauts.

"Finally, we will get a vacation," signed the brown-haired wife of the Soyuz commander, Col. Alexei Leonov.

"Yes, finally," echoed Valeri Kubasov's wife. The two women gave a rare interview in a Moscow hotel room. Soviet spacemen's wives are not often in the public eye, and the two women were reticent about revealing what they thought and felt while they had watched the spacecraft launches and the docking of the Soyuz and Apollo.

### 'Far Away'

"When the man closest to me is far away and I can't do anything to help him, I have the feelings of excitement, alarm, and I want him to return safely to earth," Mrs. Kubasov said. "I am very proud of him."

Mrs. Kubasov, 32, took her two children, Katya, 8, and Dima, 4, to the Leonovs' apartment in the space complex of Star City to watch the docking last night. The Leonovs' daughters, Viktoria, 14, and Oksana, 8, were there, as were the wives of other cosmonauts.

"Dima doesn't understand what's going on," Mrs. Kubasov said. "He understood that his father went somewhere, and he's waiting for his return with presents."

"My younger one is very attached to her papa," Mrs. Leonov, 34, said. "She loves him very much and she needs him to stay at home in order that she can be next to him."

The personalities of the two women are not unlike those of their husbands. Mrs. Leonov is outgoing and witty while Mrs. Kubasov is more subdued.

Mrs. Leonov said her husband "likes to make lots of jokes."

Mrs. Leonov said she had been sitting tensely in front of a television set, waiting to watch her husband hurtle into space, when the telephone rang.

"Svetlana, you missed everything again," said the faint voice of Col. Leonov.

"What did I miss? There's been no broadcast yet," she exclaimed.

"Why, didn't you know, we're

already flying," replied her husband.

"You see, he even jokes minutes before starting his mission," Mrs. Leonov laughingly recalled.

### Visit Planned

Mrs. Leonov said she understood the U.S. astronauts would return to the Soviet Union for a visit after the flight and would bring their wives with them.

"Of course, they will be very warmly welcomed by us," she said.

During frequent training visits to Star City, the Apollo crew was often invited to the cosmonauts' homes.

"They're very happy, very sociable and pleasant," Mrs. Leonov said of the U.S. crew. "I've found there's very much in common" between the Soviet and U.S. spacemen, she said.

"They liked our Russian cooking," she said with a laugh. "They tasted, then ate, then praised the food that we gave them. This is a nice thing for every housewife to hear."

## U.S.-Soviet Space Success Accentuating Ambiguities

(Continued from Page 1)

Soviet Union out of his Middle East diplomacy.

But if Americans react to détente with a lack of enthusiasm, it does not mean that they would prefer a return to the cold war.

### Great Expectations

What has happened is that the expectations fostered in the 1950s—that more exchanges and closer contact with the West would change Soviet society from within—have proven too great.

Soviet society has changed. It is now a much more open society in the sense that Western ideas are now more pervasive; the quest for Western technology has forced the Kremlin to adapt to the outside in a variety of ways.

Certainly, the Apollo-Soyuz mission, with its live television coverage, is the kind of development long sought by Americans interested in "liberalizing" the Russians. And it certainly would seem that this kind of high-exposure cooperation makes it more difficult for the Soviet leadership

### The Timetable

Here is the timetable for the weekend Apollo-Soyuz activities. All times are in GMT.

### Saturday

1202—The two spacecraft, docked with Apollo, move into a position in relation to the sun so that an artificial eclipse is created to permit the Soyuz cosmonauts to take photographs.

1223—Apollo and Soyuz redock, with Soyuz as the active vehicle.

1324—The final undocking.

1835—Apollo maneuvers away from Soyuz.

### Sunday

No major events. Most of the day will be devoted to independent experiments. The day is the sixth anniversary of man's first walk on the moon, a feat accomplished by astronauts Neil Armstrong and Edwin Aldrin Jr. of Apollo-11.

### Repressive Policies

Correspondents today are much more aware of the repressive policies that persist in the Soviet Union because dissidents and would-be emigrants seek them out and tell things that have been impossible for them to know in the 1950s. Does that mean that Soviet society today is more repressive than in 1958, or is the fact that dissidents make their views known a sign that it is in fact more open?

There are no easy answers. The Soviet press remains tightly controlled, but it reports news and is richer in content than it was 20 years ago.

Soviet leaders still suffer from xenophobia and are loathe to let the world about the shortcomings of Soviet society. But Leonid Brezhnev does seem eager to strike deals with important Western countries and to make concessions to get them.

The Apollo-Soyuz mission has some political courage for Soviet leaders, who feared a weakening of ideological discipline in the Soviet Union and exposure to ridicule if the Soyuz failed. But Brezhnev obviously felt it was worth the risk to promote the image of the Soviet Union as an equal of the United States in space exploration.

There are some two dozen other scientific agreements with the Soviet Union, ranging from nuclear research to atomic energy. So far, with some exceptions, these accords have been rather hollow, with no perceptible signs that they have served any meaningful purpose.

The space mission at least holds out the promise that in scientific fields the two countries could put their energy to good use. Some progress in space research has been made, but a long way toward eradicating the skepticism about détente.

## Spacemen Proclaim Mission As the Start of a 'New Era'

(Continued from Page 1)

tween the spaceships in a series of planned visits.

The spacemen shared meals, hosted televised tours of their space cabins and provided a travelogue of their nations, passing 140 miles below.

Col. Leonov was the first cosmonaut to visit the Apollo today. He entered the craft after Mr. Brand transferred to the Soyuz.

Gen. Stafford and Mr. Slayton gave him a tour of the Apollo cabin and the Russian commented on the computer that is used for navigation and maneuvering calculations. "It is a very smart computer," Col. Leonov said.

As the linked craft traveled over the Soviet Union, Col. Leonov described the view.

"Beautiful earth below us," he said. "Blue covered with light clouds. It looks like a very beautiful day over the entire territory of the Soviet Union. There is a lot of sunshine everywhere. Green fields."

Mr. Brand, with Mr. Kubasov in the Soyuz craft, spoke to Soviet television viewers in a special telecast.

the Soyuz at 1202 GMT tomorrow. Then, with Mr. Slayton, the controls, the U.S. craft will redock with the Russian craft in a final test of the docking system that the countries jointly developed.

After that, the ships will separate for the last time at 1526 GMT and slowly drift apart in orbit.

The Soyuz will return to earth on Monday, landing in south central Russia.

The U.S. spacecraft will remain in orbit until Thursday. It will splash down in the Pacific Ocean, west of Hawaii, in the last act of the Apollo space project system that was the first to carry men to the moon.

Chinese Are Silent

TOKYO, July 18 (UPI).—The Chinese news media have maintained silence on the docking of the Apollo and Soyuz spacecraft, the Kyodo news agency reported today.

It said Radio Peking, the New China News Agency and other Chinese news media have not carried any report on the link-up.

The Kyodo dispatch, from Peking, said that "the Chinese see the space docking as another example of what they call a 'bustling show of U.S.-Soviet collusion' like the Conference on Security and Cooperation in Europe and the summit talks between the two countries."

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## Mobil Oil Admits to Paying \$2.1 Million to Italian Parties

By Gaylord Shaw

WASHINGTON, July 18 (NYT).—The Mobil Oil Corp. acknowledged yesterday that it made \$2.1 million in payments to Italian political parties during a four-year period and urged action by the U.S. government to require U.S.-owned companies abroad to disclose such contributions.

Everett Checket, executive vice-president of Mobil's international division, told a Senate Foreign Relations subcommittee that the payments made by a Mobil subsidiary were legal and were intended to support the democratic political process in Italy.

But the subcommittee chairman, Sen. Frank Church, D-Idaho, contended that Mobil had

made false entries in its books to disguise the payments. The Mobil executive testified that all contributions were recorded in the firm's books and were made by check. But under questioning he acknowledged that the payments were listed under advertising and research expense.

### At Parties' Bid

This prompted Sen. Church to charge that Mobil had engaged in "fraudulent" practices. Mr. Checket replied that the payments were not listed as political contributions "at the request of the political parties—this was the custom."

With Mr. Checket's testimony, Mobil joined a growing list of major U.S.-based firms that have divulged payments to foreign politicians, political parties and government officials.

Mr. Checket said Mobil would view as "both appropriate and salutary" action by the U.S. government requiring companies doing business abroad to regularly disclose foreign political contributions.

"We understand the Securities and Exchange Commission contemplates a release in the not too distant future formulating some form of appropriate disclosure requirement," Mr. Checket said. "We at Mobil would welcome such action."

### Dispute on Scope

Commission officials confirmed that the agency is drafting such a proposal but said it would not be completed for several weeks. Other sources said a split had developed within the commission between staff members who want a strict disclosure rule and others who prefer a more limited approach.

Mr. Checket told the subcommittee that his firm's wholly owned subsidiary, Mobil Oil Italiana, made \$2,136,000 in contributions from 1970 through 1973 to the Italian Christian Democratic and Socialist parties.

He denied that the contributions were in return for favorable legislation or other action by the Italian government. Rather, he said, Mobil's Italian management decided "it was important for Mobil to support the democratic political process in Italy."

### Payment to Authority

Questioning by subcommittee members disclosed that one \$96,000 contribution was channeled through Italy's state-owned electrical authority and was keyed to the amount of oil sold to Italian power plants.

Sen. Church linked this contribution to what he called an oil industry effort to persuade the Italian government to build oil-fired power plants rather than nuclear plants.

Mr. Checket responded that Mobil's contribution was the company's share of a commitment made by a trade association, Unione Petroliera. He said unless Mobil and other firms had made the contributions, the trade association would have defaulted on a bank loan and would have gone bankrupt.

Los Angeles Times

### New Comet Is Spotted

PASADENA, Calif., July 18 (UPI).—The California Institute of Technology yesterday announced the discovery of a new comet with only a small tail that will grow as it nears the sun. The comet was first seen a week ago by three astronomers working independently in Tokyo, California and Wyoming.

## Solzhenitsyn Said to Hold Out For Written Invitation by Ford

By James M. Naughton

WASHINGTON, July 18 (NYT).—President Ford, having first avoided a proposed meeting with Alexander Solzhenitsyn, is trying now to arrange one. But the exiled Soviet novelist is reportedly insisting on a written invitation to the White House.

Well-placed congressional officials said yesterday that the President sent word to Mr. Solzhenitsyn on Tuesday, when the Nobel laureate was honored at a Capitol Hill reception, that Mr. Ford would welcome a meeting.

But the official said that Mr. Solzhenitsyn had replied through Sen. Jesse Helms, R-N.C., that he would meet Mr. Ford only in response to a formal invitation. One official said that it appeared doubtful that Mr. Ford would extend such an invitation despite White House recognition of the political embarrassment resulting from the failure to arrange a meeting.

"Both sides are going to let it lie and hope it all blows away," the official said.

Kissinger Advice

Secretary of State Henry Kissinger acknowledged Wednesday at a news conference in Milwaukee that he had advised Mr. Ford against meeting the Soviet exile because the "symbolic effect" of a conference with a critic of the Soviet regime would have been diplomatically "disadvantageous."

Until Mr. Kissinger made the statement, the White House had contended that President Ford's rejection of two requests for meetings with Mr. Solzhenitsyn had been based only on lack of time and on a presidential desire for meetings that were "substantive" rather than "symbolic."

After a spate of sharp criticism of Mr. Ford in letters to the White House and newspaper editorials and statements by lead-

ing congressional conservatives, Mr. Ford made it known through a spokesman last Saturday that he would be "pleased" to meet Mr. Solzhenitsyn.

One congressional official said that Sen. Helms, one of the most vocal critics of Mr. Ford in the matter, had received four telephone calls on Tuesday from White House aides conveying the same message. One of the calls reached Sen. Helms as he was meeting with Mr. Solzhenitsyn in the office of Sen. Henry Jackson, D-Wash.

### Insists on Invitation

Sen. Helms whispered the message to Mr. Solzhenitsyn, who reportedly replied that he would accept only a written invitation. "He was obviously offended," one White House official said. "His nose is out of joint and I don't blame him."

A senior White House official said late yesterday that he expected "we'll get him in here at some point," but declined to say if a formal invitation would be sent to Mr. Solzhenitsyn.

Ron Nessen, the White House press secretary, said he understood that Sen. Strom Thurmond, R-S.C., and Sen. Helms were "working on the matter."

(Mr. Solzhenitsyn has an open invitation to visit President Ford in the White House, Mr. Nessen said today. The Associated Press reported "I would anticipate that sometime during his visit to the United States Solzhenitsyn will come in.")

The President turned down a request from the two senators for a meeting with Mr. Solzhenitsyn on June 30. Mr. Ford also declined an invitation from the AFL-CIO to attend a dinner the same day in the writer's honor.



**HARD WORK**—Crew strains at the pump handle of the 100-year-old fire engine Androsenggin from Tnsham, Maine, during a competition at West Shokan, N.Y. Object of the competition is to shoot a stream of water as far as possible.

By Chief of Program

## CIA Files on LSD Reportedly Destroyed

By Nicholas M. Houtock

WASHINGTON, July 18 (NYT).—The staff of the Rockefeller commission concluded that the chief of the Central Intelligence Agency's testing of LSD destroyed the drug program's records in 1973 to hide the details of possibly illegal actions, commission sources said yesterday.

These sources said that the chief of the program, Dr. Sidney Gottlieb, a biochemist, was personally involved in a fatal ex-

periment in November, 1953, in which the commission has said a researcher was surreptitiously given LSD, a mind-altering drug.

The researcher, Frank Olson, jumped to his death from a New York City hotel room less than two weeks later after reportedly showing symptoms of anxiety.

The Rockefeller commission staff, on the basis of its investigation, concluded that 20 years after Mr. Olson's death, and 10 years after the LSD experiments were purportedly halted, Dr. Gott-

lieb ordered the destruction of all the records of the program, including a total of 152 separate files, commission sources said.

The Rockefeller commission previously reported the destruction of records on the LSD experiments, but did not mention Dr. Gottlieb by name. It also reported a program through the federal Bureau of Drug Abuse Control in which the CIA had arranged to test LSD on "unsuspecting volunteers" on two programs, one in the West and the other along the East Coast.

Staff sources on the Rockefeller commission said this program was also commanded by Dr. Gottlieb.

The record destruction came shortly after other records had been destroyed by Richard Helms, then director of the CIA, these sources said. Dr. Gottlieb retired from the agency a few months after Mr. Helms left in January, 1973, they said.

The staff of the commission headed by Vice-President Rockefeller, which was established by President Ford to look into allegedly illegal domestic operations by the CIA, attempted to interview Dr. Gottlieb and was told by the agency that he was unavailable. The New York Times tried unsuccessfully to reach him.

According to intelligence sources, Dr. Gottlieb joined the CIA in 1951, though he had done national security work before that. He was a close associate of Mr. Helms and was promoted to head the technical services division of the covert operations branch of the agency, the sources said.

The CIA's experiments with such hallucinogens as LSD stemmed from World War II concerns over how agents could resist torture in interrogation and could defend themselves against drugs being used by enemy intelligence services. The experimenting was a closely held secret even within Dr. Gottlieb's unit.

The Rockefeller commission report said that the testing of hallucinogens was halted in 1963 by the CIA's inspector-general. But intelligence sources said that experiments with "exotic drugs" continued after the internal ban and that this may have been reflected in the records that were believed to have been destroyed.

The tests included drugs that would enable a person to baffle a lie-detector test. A source said, however, that these drugs also had a serious effect on the emotions of the person who took it.

## House Approves Funds for Nixon

WASHINGTON, July 18 (AP).—The House of Representatives, by a vote of 393 to 18, approved legislation yesterday that would give former President Richard Nixon \$121,153 for staff supplies and other expenses.

The money was included in a \$7.5-billion measure to fund the Treasury, White House and other agencies. The bill was sent to the Senate. The funds for Mr. Nixon were \$81,848 less than President Ford had recommended for the 15-month period that began July 1.

Mr. Nixon receives a \$60,000 annual pension.

## Pike to Head House Unit on Intelligence

Old Panel Dissolved By Nedzi Stalemate

By Richard L. Lyons

WASHINGTON, July 18 (WP).—Rep. Otis Pike, D-N.Y., yesterday was named chairman of the House Select Committee on Intelligence, which was reconstituted to end a stalemate created by bickering among Democrats.

The House first adopted a resolution that abolished a 10-member committee which was set up in February. Then it created a new, 13-member committee with the same mandate to investigate charges of illegal activities by various government intelligence agencies.

Speaker Carl Albert, D-Okla., named the new committee and, as expected, omitted former chairman Lucien Nedzi, D-Mich., and former member Michael Harrington, D-Mass. Rep. Nedzi was removed for not divulging alleged illegal CIA acts. Rep. Harrington for releasing them.

Democrats on the committee complained that Rep. Nedzi, as chairman of the Armed Services Subcommittee on Intelligence, had known of illegal CIA acts but had failed either to reveal them to Congress or to act on them himself. In the ensuing stalemate, the House refused to accept Rep. Nedzi's resignation and he refused to function as chairman.

### Severe CIA Critic

Rep. Harrington had been the CIA's severest critic. Since the committee was formed he had questioned Rep. Nedzi's ability to conduct an objective inquiry because of his previous role as CIA overseer for the House.

Rep. Harrington also has been accused of breaking rules and a signed pledge by releasing classified information from files of the House Armed Services Committee about covert CIA operations in Chile.

Rep. Pike, 53, has been a member of the House for nearly 15 years.

### Mail Seizures Admitted

WASHINGTON, July 18 (WP).—Eighty-five postcards and 25 letters sent in 1972 from the Soviet Union to addresses in the United States were intercepted and retained by the CIA until this week, CIA director William Colby has admitted in a letter to Postmaster General Benjamin Bailar.

The mail has just been located in an undisclosed place used by the CIA, he wrote. Mr. Bailar made the letter public yesterday.

Mr. Colby suggested that Mr. Bailar forward the mail to its intended recipients with the CIA's apologies.

While the CIA has previously admitted opening and copying mail without the required search warrant, the disclosure by Mr. Bailar was the first indication that the CIA had kept mail from its intended recipients.

## Minister Resigns Economic Post In Peron Regime

BUENOS AIRES, July 18 (UPI).—Economy Minister Celestino Rodrigo gave way to pressure from labor leaders and resigned today, but the government denied reports that President Isabel Peron was about to take an extended leave of absence.

Mr. Rodrigo, who lasted only 45 days in office, said in a resignation letter he was leaving to "facilitate the final decision of the President about the political and economic policies the country will follow in the near future."

His austerity program, including cuts in wages and two devaluations of the peso, led to a general strike last week that shut down the country for two days and forced the government to reinstate wage increases of as much as 180 per cent.

The resignation occurred amid reports that President Peron planned to ask Congress for a leave of absence to recover from influenza. But a government statement said "There has not been the slightest conversation or insinuation about the leave of absence."



**MOSCOW WEIGHT WATCHERS**—Moscow woman being weighed on a scale set up outside the GUM department store on Red Square while others wait their turn. It costs 5 kopeks to be weighed by woman in white smock who works for Soviet health service.

## Cleveland, Three Other Cities Bidding for GOP Convention

By Jules Witcover

WASHINGTON, July 18 (WP).—Cleveland presents the fewest problems of four cities under consideration as the site of the 1976 Republican National Convention, a GOP national committee official said yesterday.

But William Royall, a committee press spokesman, said Cleveland itself has enough drawbacks as the convention site that it would be wrong to suggest that Ohio's largest city has the inside track. He quoted Mary Louise Smith, the party's national chairman, as flatly denying reports that the committee has decided to recommend Cleveland to President Ford.

The Cleveland bid, Mr. Royall said, is contingent on a plan by Cleveland Mayor Ralph Perk, a Republican, to lease three Norwegian cruise ships at a cost of \$800,000 to the city for use as floating hotels, tied up on Lake Erie, during the August convention.

Cleveland's main attraction, Mr. Royall said, is its facilities, which are large enough to hold both the convention sessions and headquarters activities, as well as press facilities. Also, Ohio Gov. James Rhodes is a Republican and is urging selection of Cleveland.

Still very much in the running, Mr. Royall said, is Kansas City, which has made aggressive efforts to get the convention. Also under active consideration are Miami Beach and Los Angeles, the committee spokesman said. But Republicans in Miami Beach are not enthusiastic about undertaking the heavy volunteer responsibilities associated with a

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### Floods in Romania

GENEVA, July 18 (Reuters).—Twenty-four of Romania's 39 provinces have been severely affected by floods, a Red Cross official reported here today.

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## Tribe Flees as Communist Power Grows

## Laotian Meos Caught in Postwar Crossfire

By Henry Kamm

VIENTIANE, Laos (NYT).—The war in Laos is over and still the Meo mountain tribesmen are on the run. Caught in the crossfire of the L.ochina struggle since the 1940s, they are trying to escape its consequences. Many have gotten away. In Bangkok, the government says that 18,000 have fled to neighboring Thailand since the middle of May. But tens of thousands north of here have abandoned their homes and fields of rice and roam the hills, looking for a way out.

The Laotian government, not yet firmly in the hands of the Communist-controlled Pathet Lao, will not let the Meo tribesmen leave. Thailand, which does not want them, is suspected of wanting to expel not only the refugees from Laos, but also some of its own Meos as well.

Their leader, in exile, has urged them to stay in Laos, although, fearing for his life if he fell into the hands of those he fought, he fled to Thailand and went on to Europe. Eventually, he may go to the United States.

Irregular Army  
The leader is Vang Pao, who, as a major general in the Royal Laotian Army, commanded the irregular army that was underwritten, guided and supplied by the United States through the CIA.

A soldier for most of his 50 or so years, Vang Pao has become a myth to the Meo people. He cannot divest himself of the leadership of the Meos.

The Meos, a people that hardly knew wheeled transport, saw and traveled by planes and helicop-

ters. They saw sacks of rice and other foods they had never heard of fall from the heavens and they spoke into boxes to persons whom they could not see.

They saw, also, the power of destruction of the planes and often they were the victims. What they saw seemed to them supernatural. They thought the man who commanded all this power was Vang Pao.

When he fled on May 14, he destroyed the foundation of his followers' faith. He plunged them into panic and a general rush of Meos toward Thailand began.

On May 29, according to Touby

Lyfong, an ethnic Meo and the deputy minister of postal services, 8,000 to 7,000 tribesmen were gathered 80 miles north of here at a river bridge. They had been in the region for about a week, streaming westward out of the mountains toward the Mekong River and northern Thailand beyond.

Their way was barred by Pathet Lao and neutralist government troops. For four days, the people and the soldiers faced each other as more and more Meos arrived.

Then a vanguard rushed the bridge and the soldiers opened fire. Some Meos were killed.

According to officials dealing with the more than 400,000 persons displaced by the war in the zone controlled at the time of the 1973 truce by the Vientiane government, tens of thousands of Meos are still on the move. Many suffer from hunger and exposure in this rainy season.

Mr. Touby estimates that 30,000 Meos were killed in the war. Unlike the Laotians of the plain, who strove throughout the war for peaceful accommodations, the Meos have always resisted outside encroachment. Their native will to fight back made them as attractive to the Americans—eager to the down as many North Vietnamese troops in northern Laos as they could—as they had been to the French when the French were fighting the Viet Minh.

Vang Pao's troops bore the brunt of the fighting in Laos. Vang Pao did not limit his resistance to military matters. Dec. 20, when the Pathet Lao and Vientiane sides of the coal-

## Italians Have Most Holidays In Europe

ROME, July 18 (AP).—Italians have more paid holidays than any other Europeans—more than twice as many as the British and the Dutch—according to an official survey.

The survey, by the Italian Statistics Institute, showed that Italy led the list of paid holidays in Europe with 15 a year. Britain and the Netherlands are at the bottom of the list with seven.

In between came Denmark and Belgium with 10, France with 9 and Switzerland with 8.

tion government agreed on a census of all displaced persons on the Vietnamese side. Vang Pao refused to let the mixed census team into Military Region II to ask his Meos if they wanted to return to their original villages, now on the Pathet Lao side.

As a result, only a small number of Meos were among the more than 100,000 Laotians who were voluntarily repatriated by March to the Pathet Lao zone.

"Had the census taken place, the panic might not have happened," a UN official said. "Vang Pao insulated Military Region II from the accommodation process taking place elsewhere."

But Mr. Touby said: "The reality is that the Meos of Military Region II worked with the Americans and, therefore, it is normal that they leave. They were compromised."

## Laos Closes Part of Border With Thais to Foil Refugees

BANGKOK, July 18 (AP).—Laos has closed part of its border with Thailand amid Communist criticism of the Thai policy of accepting refugees from three neighboring Indochina countries.

Pathet Lao troops patrolled the frontier, preventing villagers from crossing into Ubon Province in northeast Thailand and Pakse Province in southern Laos to visit friends and relatives.

There have been shooting incidents along the border in recent weeks and Thailand recently withdrew its consular staff from Pakse and Savannakhet at the Laotian government's request.

The Thai Foreign Ministry announced the closing today without speculating on a reason for it, but observers here said the Laotian government apparently wanted to stem the flow of refugees.

A broadcast by Hanoi radio yesterday accused Thailand of sheltering "reactionary henchmen" among the refugees and, by doing so, allowing itself to become "a base for American conspiracies."

## Greek Cypriots Urge Missing Be Returned

NICOSIA, July 18 (UPI).—About 2,000 Greek Cypriots demonstrated in Nicosia today for the return of relatives missing since last year's Turkish invasion.

Earlier this week, Glafkos Clerides, speaker of the Greek-Cypriot House of Representatives, said he estimated that 2,700 Greek Cypriots were missing. Turkish Cypriot leaders have stated frequently that they are not holding any Greek Cypriots, either in Cyprus or in Turkey.

against the Indochinese people." About 4,000 ethnic Lao and 35,000 Meo tribesmen have sought refuge in Thailand since the spring, when the Communist-led Pathet Lao began to take control of the coalition government. Up to 11,000 other refugees have arrived from Cambodia and South Vietnam since the Communist victories there, and the exodus from Cambodia and Laos continues.

The refugees pose a problem for Thailand, which seeks good relations with its Communist neighbors. The Thai government has said it does not want to keep the refugees indefinitely, but has not barred their entry or forced any to go back.

The Hanoi broadcast said: "While the revolutionary struggles of the Indochinese people are getting uniform support of worldwide public opinion, the Bangkok government is showing its hostile attitude toward neighboring countries."

They shelter and support the reactionary henchmen of Americans in South Vietnam, Cambodia and Laos who have escaped into Thailand. They lend a strong hand to the Americans by luring and forcing civilians from the three Indochinese countries into Thailand in order to serve the long-term conspiracy of the Americans and their henchmen."

U.S. Program Expanded  
WASHINGTON, July 18 (AP).—The U.S. resettlement program for Asian refugees is being expanded to include Laotians and an additional 7,000 to 9,000 Cambodians and Vietnamese.

Current plans call for the admission of up to 5,000 Laotians who have fled to Thailand. Previously, the U.S. refugee program accepted only those Vietnamese and Cambodians who fled in the last days before their countries fell.

In other developments, it was also disclosed that:

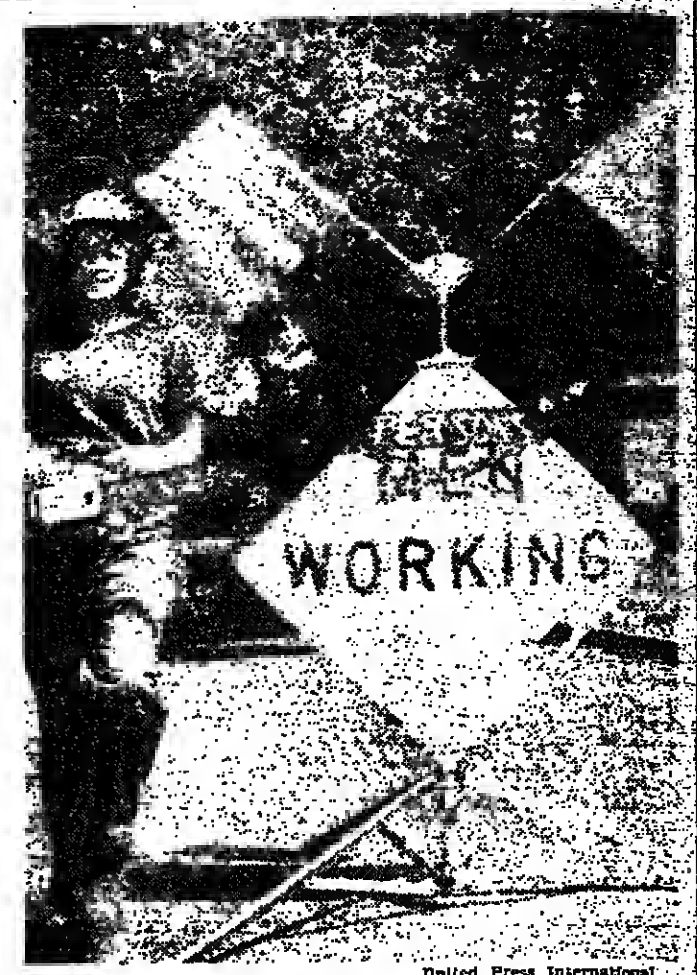
• An estimated 10,000 former Cambodian and Vietnamese soldiers may end up in U.S. military services.

• The choice of a new refugee resettlement camp equipped for winter has narrowed to Fort Wolters, Texas, and Fort Holbrook, Md.

4 Bodies Found Hidden In Hamburg Home  
HAMBURG, July 18 (Reuters).—Police and G-men putting out a fire yesterday discovered four decomposed and mutilated bodies, at least two of them women, in the broom closets of a top-floor Hamburg apartment.

The tenant of the apartment, a 40-year-old watchman, was arrested after returning home a few hours after the fire, police said.

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SIGN OF THE TIMES—Warning sign modified to take into account Saratoga, Calif., tree surgeon Nancy Tyrell, who has been plying her trade two years.

## Obituaries

## F. Edwin Church, N.Y. Artist

NEW YORK, July 18 (NYT).—F. Edwin Church, 88, an artist and a founder of the North Shore Wildlife Sanctuary, died Tuesday at his home in Locust Valley on Long Island.

In 1916, Mr. Church won the Thomas B. Clarke Award for the best American figure composition at the National Academy of Design. Two one-man shows of his paintings were held and the most recent exhibition of his work was in connection with a benefit for the wildlife sanctuary, of which he had been a director since its incorporation in 1953.

Mr. Church studied art at the Académie Julian in Paris and at the Art Students League here. While in Paris and Brittany, where he was painting at the same time as Gauguin, he became interested in Japanese prints of the 18th century, which greatly influenced his painting and led him later to assemble an important collection of Japanese prints of that period.

'Daniel Moore  
LOS ANGELES, July 18 (AP).—Daniel Moore, 51, a nationally known authority on education, died in a hospital here yesterday.

He appeared frequently before educational organizations throughout the country.

Suez Canal to Take Ships as Big as in '67  
CAIRO, July 18 (Reuters).—As of Sunday, the newly reopened Suez Canal will take ships as big as those that used it before the waterway was closed in 1967, canal officials said yesterday.

When the canal reopened June 5, ships drawing up to 33 feet of water were allowed through. As of Sunday, vessels of 38 feet draft will be able to pass the same as in 1967. Work to deepen and widen the canal is now under way, which will allow it to take ships of 40 feet draft by December, the officials said.

The experts stipulated that the Navy should test a less sophisticated, and thus less expensive, plane for additional purchases. The Navy wants to buy 800 F-18s to replace older planes.

The F-18's future is now at issue in the preparation of next year's military budget.

## U.S. Budget Unit Urges F-18's End

WASHINGTON, July 18 (AP).—The government's Office of Management and Budget has recommended abandoning the fledgling F-18 fighter program and ordering the Navy to develop a new and cheaper plane.

Meanwhile, Defense Department specialists have proposed going ahead with a Navy plan to develop the F-18 and buy 123 of the fighters over the next five years, even though they estimate the cost would be \$1.7 billion more than the Navy projected.

The experts stipulated that the Navy should test a less sophisticated, and thus less expensive, plane for additional purchases. The Navy wants to buy 800 F-18s to replace older planes.

The F-18's future is now at issue in the preparation of next year's military budget.

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abandonment of the "official" price of gold last December, and the continued debate over British membership in the Common Market are among recent developments that were forecast in advance by Hudson Europe, frequently at a time when public opinion was overwhelmingly to the contrary.

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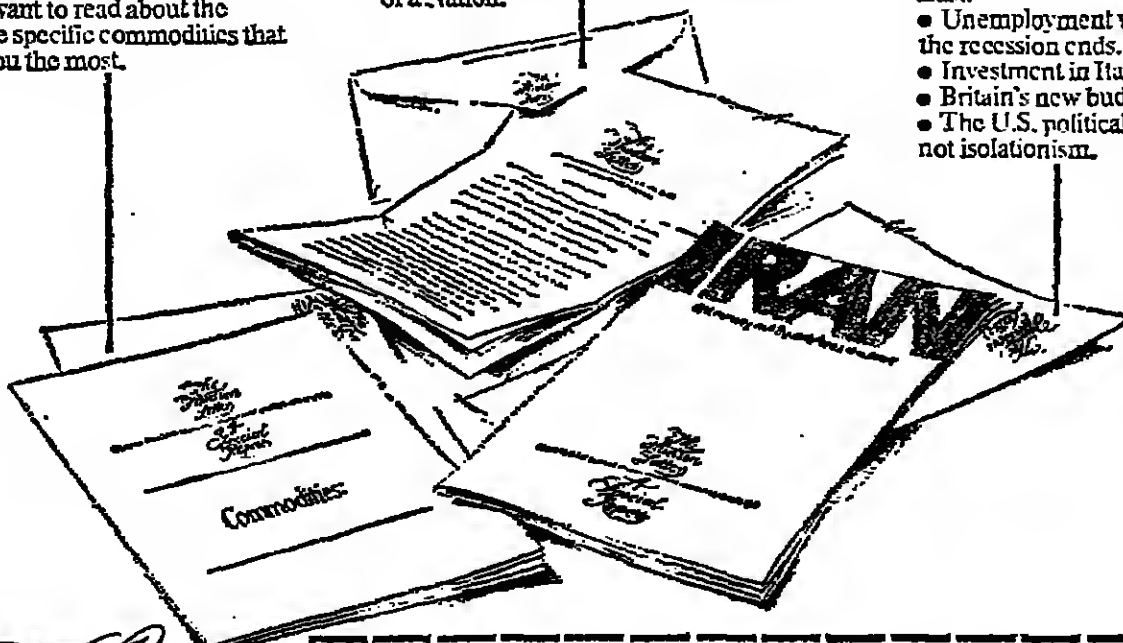
Analyses and Projections like these, which appeared in the first four issues of *The Hudson Letter*:

- Protectionism is the new trend in world trade.
- The American economic outlook is even worse than President Ford's budget predicts.
- Social instability, not oil money, is the most powerful factor in today's Middle East.
- Unemployment will stay high even after the recession ends.
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## Civil Disobedience Is a Reply to the Policies of Mrs. Gandhi

By Peter Arnett

MUMBAI, India, July 18 (AP)—Opposition to India's 25-year-old political crack-down is blossoming in the home of the independence leader Mahatma Gandhi, and it is the same form as his: the non-violent civil disobedience.

Opposition leaders assert that 100 persons are being arrested each day throughout the State after deliberately violating the ban on public demonstrations by publishing forbidden criticism of central government of Prime Minister Indira Gandhi.

Mr. Gandhi, who is the daughter of the late Prime Minister Jawahar Lal Nehru, is no relation to Mahatma Gandhi.

His reporter late Wednesday shed eight flower-garlanded flowers in triumph through the crowded market of this teeming city of two million, thousands of supporters milled at them as they stood in the middle of a police station, each holding a paragraph from a tract attacking press censorship, arrests and the restriction of civil liberties, all provisions of the new emergency regulations.

Quiet Arrests  
Police listened patiently to the protesters, then quietly escorted the leaders to a waiting police van, which drove them off to jail. The people of Gujarat are alarmed to defend Indian democracy in a peaceful, non-violent and constitutional way as Mr. Gandhi taught us," said Dinesh

## Tests Passed by Miss Little, Defense Claims

ALEXANDRIA, N.C., July 18 (AP)—Attorneys for Joan Little today said for dismissal of the first-degree murder charge against her, pending that District Attorney William Griffin had agreed in writing to drop the charge if Miss Little passed a lie detector test. The tests were given in June. The lie detector test was given to Miss Little, 21, a black, contends she was killed her last year, 27, in a cell at the Washington, D.C., jail where she was living on appeal on a breaking and entering conviction.

Shah, the president of a rightist party that opposes the central government.

"We intend to have people out every day, indefinitely," said the civil-disobedience technique, called *satyagraha* by Mahatma Gandhi, when he and thousands of followers used it in the 1930s and 1940s, is the latest in an escalating campaign here against the central government.

Gujarat, with a population of nearly 30 million, lies on the west coast, around 400 miles from New Delhi. It is one of only two states in India not ruled by Prime Minister Gandhi's Congress party. She made the Gujarat elections last month a personal, prestige effort, campaigning for 11 days in a bid to bring victory for her party.

A Major Defeat  
But she suffered a major defeat when a four-party non-Congress opposition alliance calling itself the People's Front won control of the state government.

The other opposition-ruled state, Tamil Nadu in south India, initially campaigned against the tough provisions of the central government's emergency rule but soon backed down.

An Ahmedabad civil servant said Gujarat "is walking a thin line," because its government risks dismissal under "president's rule," a constitutional provision allowing state governments to be fired for a wide range of reasons.

"We don't want a confrontation with Mrs. Gandhi," said an aide to Chief Minister Babubhai Patel. "We already know she views us with disfavour."

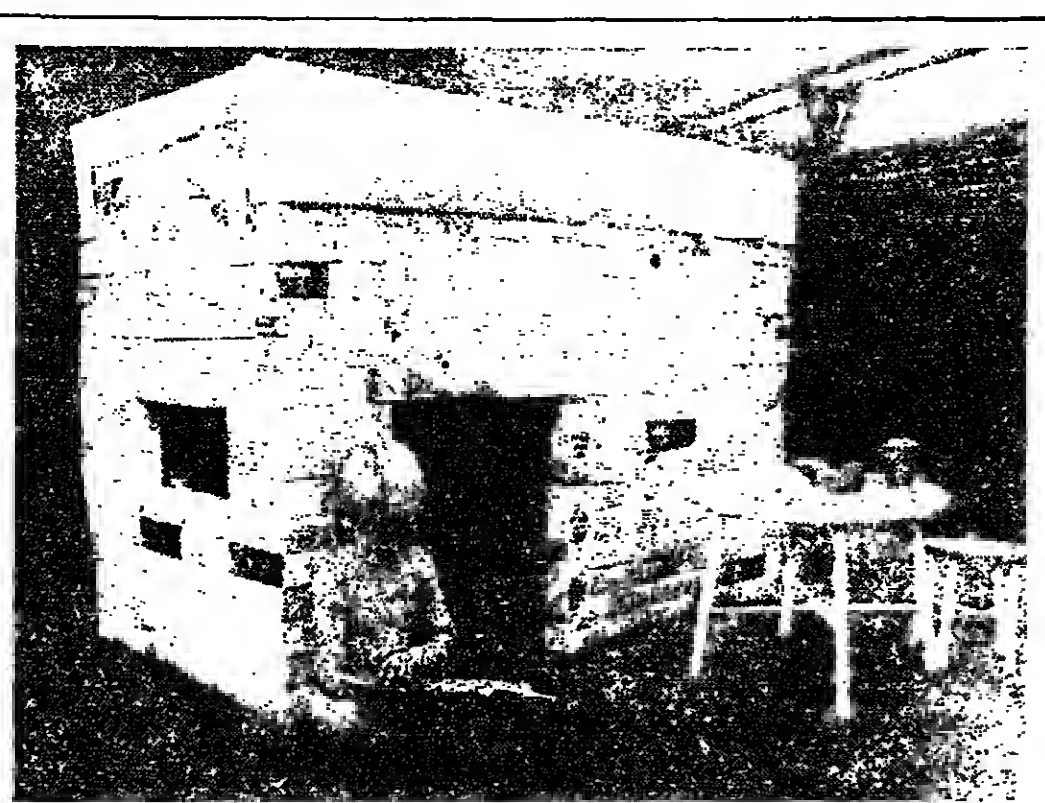
But her displeasure has not dampened the ardor of rank-and-file party workers, who took to the streets in the first few hours after the election results were announced. Few in Ahmedabad doubt that the state government is giving tacit approval to their efforts.

Police seem to treat demonstrators gently, and while the blatant lawbreakers are arrested, there are reports that they are not held for more than a few days.

The Gujarat protests began as soon as Mrs. Gandhi proclaimed the emergency June 26. Citizens were encouraged to wear black ribbons on their chests, fly black flags from their homes and take up on their doors the preamble to the Indian Constitution, which stresses human rights.

Public demonstrations have included silent marches, students parading with locks on their lips to protest the loss of free speech, fasting and sit-ins at public places.

"This is happening today in every district of the State of Gujarat," said Mr. Shah. "Tomorrow, it will be happening in every state of the union."



**BUILDING UP STRENGTH**—Five-year-old Peter sitting in front of house he built out of milk cartons outside Copenhagen. He accomplished the whole task himself and his future seems well assured, especially if he drank all of that milk.

## Dozens of Arrests Reported

### Turkey Taking Steps to Curb Illicit Opium

By Steven V. Roberts

ANKARA, July 18 (AP)—The poppy harvest is beginning in Turkey, and U.S. officials are cautiously optimistic about the chances of controlling the illicit sale of opium gum, the raw material for heroin.

Their optimism is based mainly on Turkey's desire to show the world that it can stem the drug traffic. An official said:

"They've had a difficult time controlling smuggling in the past, but the motivation was lacking. Now they realize that they're in the international limelight, and that the United States and Western Europe have a vested interest in what happens this year."

Dozens of Arrests

In recent weeks dozens of farmers have been arrested for planting more poppies than allowed by law, and the government has been quick to publicize the seizures. The arrests could mean an active enforcement program, or that many farmers are trying to defeat the system.

It will be six months before officials know the effect of the Turkish enforcement program. The proof will be the amount of opium now being harvested that shows up as heroin on the streets of New York.

When drug abuse became a major problem in the United States, Washington pressed Turkey to ban opium cultivation. In 1971, Turkey, then under military rule, agreed to the ban. The

United States allocated \$35 million to compensate Turkey for the loss of foreign exchange, and to develop new sources of income for the poppy-growing regions.

Can an Issue

U.S. officials said the ban was effective and that the price of raw opium rose from \$80 a kilogram to \$700. But in the Turkish elections of 1973 the ban became an issue.

Last year the ban was lifted, but farmers were required to apply for a license. The government allocated small plots of less than half an acre and promised to buy the entire crop.

The United States has helped train about 800 Turkish police officers in enforcement techniques, and contributed \$3 million for technical assistance. The UN has added \$1 million worth of jeeps, radios and other equipment.

Ankara recently announced that it would pay about \$150 for a kilo of opium gum, a higher price than expected, and Premier Suleyman Demirel stressed that Turkey had international commitments to control smuggling.

Next Year Feared

This year licenses were granted to 90,000 farmers in seven provinces, a relatively easy area to patrol. But officials are already starting to worry about next year, when the area of cultivation might be expanded and the fervor of enforcement agencies might diminish.

The New York police do not expect any immediate change in the drug supply as a result of the Turkish drive against illegal opium sales.

But a spokesman for the Drug Enforcement Administration was not optimistic about the crackdown by Turkey. "Their record on controlling the farmers has not been good in the past," he said. "We'll have to wait and see. Just because they arrested a few farmers who are licensed to grow the poppies is no assurance that the government there is really serious."

Bonn Expecting 3 Allied Leaders

BONN, July 18 (AP)—The West German government announced a series of meetings today with the leaders of three important allies, beginning with British Prime Minister Harold Wilson next week.

Government spokesman Klaus Boelling told a news conference that Mr. Wilson will meet Helmut Schmidt in Hamburg on Thursday before the Chancellor returns to Bonn, where President Valéry Giscard d'Estaing of France is expected next Friday.

Also expected in West Germany that weekend, on his way to the Helsinki summit, is President Ford, who, government sources said, will visit U.S. and possibly German military bases before arriving in Bonn that Sunday.

## Ships Are Based at Bahrain

### Small U.S. Naval Force in Persian Gulf

By Drew Middleton

BAHRAIN (AP)—When the USS LaSalle, an old command ship, is in port, it ties up alongside nondescript coasters at one of Bahrain's commercial piers. Occasionally the two destroyers that form the rest of the U.S. Middle East force join it.

The force is supported by a naval facility, covering an area smaller than a New York City block. Like the berth at the pier, it is leased from this island emirate. Almost all supplies come by sea from the United States.

U.S. diplomats consider this modest projection of naval power appropriate to the situation in the Persian Gulf, whose coastal states possess the world's greatest energy assets, valued at something over \$4.5 trillion at current oil and gas prices.

The Soviet Union maintains a more potent military presence in the area. A squadron whose strength varies from 8 to 12 surface warships is deployed in the Indian Ocean, and intelligence-gathering ships, thinly disguised as trawlers, make frequent voyages through the Strait of Hormuz, which leads from the Persian Gulf to the Indian Ocean.

## U.S. Policy

The disparity between U.S. military representation in the Gulf on one hand and the importance of the area's oil supplies to Japan and to allies in Europe on the other is an oddity of the strategic situation. U.S. policy, Under Secretary of State Joseph Sisco told the House International Relations Subcommittee in June, is to encourage the two strongest Gulf states, Iran and Saudi Arabia, "to assume increasing responsibilities for the collective security of the region."

The military and political objections to this stance, according to European and Arab diplomats, begin with Arab reluctance to see Iran, a Moslem but non-Arab power, dominant in the Gulf.

The Arab governments are grateful to Iran because its growing military strength has curbed what is called the Iraqi mischief-making and because it has supported the government of Oman against Soviet-armed rebels. They do not, however, want to become dependent on Iran for protection. The alternative is the development of Saudi Arabia as the principal Arab power in the area, and to both Saudi and Western diplomats this seems a long way off.

On the surface, some of the Gulf states are being transformed by foreign arms purchases into armed camps. According to the Center for Defense Information in Washington, the United States sold \$4.4 billion worth of arms to Persian Gulf countries in 1974. The Soviet Union and France each sold \$1.5 billion worth and Britain sold \$50 million worth. Saudi Arabia and Iran have been the chief customers, purchasing

\$4.4 billion worth between them in 1974.

Military sources emphasize the vast difference between the purchase of arms and their deployment in credible forces.

The Saudis, they point out, have bought aircraft from the United States, Britain and France, missiles from the United States and France, tanks and armored cars from Britain and France and warships from the United States and Britain.

Qualified sources estimate that even if all the equipment were delivered this year, which is highly unlikely, the Saudi forces would not be qualified to use it effectively for at least seven years.

Kuwait Buys Missiles

Kuwait, which has been bickering with Iraq, the strongest of Moscow's client states on the Gulf, over frontiers, has purchased surface-to-air missiles, anti-tank missiles and fighter aircraft from the United States. The problem of training personnel with a deficient technological background to use sophisticated weapons limits Kuwait's military effectiveness, as it does that of Saudi Arabia and Iran, according to the sources.

The U.S. estimate of the situation in the Persian Gulf states is that cooperation is growing rapidly, although the governments, once virtual strangers, are just becoming accustomed to telephoning among themselves.

Major Differences

The view that the Gulf states are cooperating for the general good is disputed by some sources. Saudi Arabia and Iran, they concede, have improved relations since the death of King Faisal. But they wonder how long good feelings will last in view of two major differences.

One is religious. The Iranians are mostly Shia Muslims, while the Saudis are Sunnis, and perhaps the most fundamentalist of their faith in the Arab world.

The second difference is over Israel. Iran has sold oil to Israel, and, according to highly placed sources in Tehran, will continue to do so in the event of a fifth Middle Eastern war. The Saudis have supported Egypt and Syria, Israel's chief enemies, with money, and there is some fear among Western diplomats that newly purchased weapons will go to them in a new war.

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## Egypt's New Threat

Egypt acted without warning or good cause in threatening not to renew the mandate of the UN Emergency Force which sits between its troops and Israel's in the Sinai desert. There would seem to be no danger of another war: 1975 is not 1967 and President Sadat is not Gamal Abdel Nasser. Indeed, one wonders why Mr. Sadat should wish to remind the world of his predecessors' fatal impetuosity with respect to an earlier UN peace force on the Sinai in 1967. The existing UN force can and should stay firmly in place while the situation is being sorted out. But the damage is nonetheless severe.

What is most dismaying is that Egypt should have picked this moment to resort to the old gambit of toying with a UN peacekeeping force to make a passing political point. This runs directly counter to the requirements of responsible policy in the volatile Mideast at a time when a delicate diplomatic process appears to be under way. That Egypt is impatient to conclude a second interim agreement is understandable. Cairo has been given reason enough in the past to suspect that the Israelis were simply playing for time. In this instance, however, Egypt knew that negotiations were at an especially sensitive stage after the Kissinger-Rabin talks in Bonn, and that Mr. Kissinger might be undertaking another "shuttle," perhaps within a few weeks. For Egypt to jeopardize that process just as it was reaching its most promising stage is indeed, as Mr. Kissinger put it, "extremely unfortunate." In so doing the Egyptians have gone a long way toward assuming the onus if negotiations fail. As the rare official public

rehuke of Cairo indicates, they have cast a cloud over their tie with the country they count on to squeeze Israel back into its old borders and to tend to their economic development. And they have given hard ammunition, at just the wrong moment, to those Israelis who, opposing their government, insist that no deal with Egypt or the UN should be made.

The fuzziness of Foreign Minister Ismail Fahmy's letter to Secretary-General Waldheim makes it unclear exactly what Egypt now wants. Privately, Egyptians suggest they wish the Security Council to rewrite the evenhanded mandate of the UN Emergency Force and to add political language supporting the Egyptian position. But any such effort could not fail to produce a long embittering debate that would jeopardize not only the negotiations on an interim settlement but the fragile international consensus on which the calculated ambiguities of earlier Security Council resolutions were based.

On the one hand Egypt (with its Arab and Moslem brothers) has now committed itself to driving Israel from the UN regardless of the devastation this will wreak on the world organization and on Egypt's own interests. On the other hand Egypt wishes to use the UN as a club against Israel, by, for instance, scolding the Security Council into passing a new anti-Israel resolution. There is a way for Egypt to get off both horns of this dilemma, and that is to back off from a confrontation at the UN and return to its earlier practice of restrained and responsible diplomacy.

THE WASHINGTON POST.

## Cuba, Again

No one can accuse the Organization of American States of rash or impulsive decisions on the issue of permitting Cuba to rejoin the hemisphere. For the coming two weeks in Costa Rica, delegates of 24 active member states—Cuba is listed as inactive—will deliberate the parliamentary problems of lifting 11-year-old trade and political sanctions against the Castro government. This is the third major convocation of the OAS in the past eight months in which the Cuban connection—or lack thereof—has dominated the discussion.

As more and more member governments simply go their own way and ignore the multilateral sanctions, the OAS cannot stall much longer if it expects to retain any relevance to the real problems facing the hemisphere for the years ahead. The new secretary-general of the OAS, Alejandro Orfila of Argentina, himself bailing from one of the nine countries which have restored political and economic relations with Cuba, hopes to pump new energy into the organization: resolving the long-divisive Cuba question will be a necessary first step.

The United States faces major problems of policy for Latin America, of which the Cuban relationship is only one. The status of the Panama Canal is a potentially explosive issue; more immediately troublesome in political relations is the ban on tariff preferences for Ecuador and Venezuela. Written into the trade bill by Congress last year, this discriminatory slight arose purely because these two states are members of the Organization of Petroleum Exporting Countries—even though they did not participate in the Arab oil boycott and have to be regarded as among this country's more secure sources of imported oil.

The United States has signaled that it will go along with a majority view to lift the Cuban sanctions—though Washington's tentative gestures toward normalizing relations with Havana set no diplomatic speed records. In any event, this issue has dragged on far too long—for the United States as well as the OAS—and the Cuban sanctions should be terminated.

THE NEW YORK TIMES.

## Refugee Relief

The shirking of rightful responsibilities by various members of the UN, including those of the Third World, is certainly nothing new; and so it is a relief to comment on one case in which a wealthy Arab state has at last taken a step in the opposite direction. Saudi Arabia has become the first of the oil-rich Arab countries to make a major contribution to the United Nations Relief and Works Agency for Palestine refugees.

Ideology more than parsimony dictated the refusal of millionaire Arabs to provide significant support to this agency up to now. They have long asserted that care of the refugees was a Western responsibility since, they argued, it was the West's support for Israel that created refugees in the first place. The Arabs have brutally used the refugees for more than 20 years as a political

weapon, contributing nothing, however, to keep them from starving.

But last month, faced with the imminent bankruptcy of the refugee agency, the Palestine Liberation Organization reversed its signals to its supporters and requested relief aid. Saudi Arabia agreed to provide \$11 million this year—still less than a third of the American contribution. Now Kuwait and other Arab oil producers will be under pressure to follow suit.

The United States remains, as always, the largest contributor to UNRWA, with total donations this year of \$39 million of the agency's \$134-million budget. Now that Saudi Arabia has moved, the prospects may be brighter for putting refugee care on a more equitable footing.

THE NEW YORK TIMES.

## International Opinion

### EEC Stance on Portugal

The EEC is right to make stipulations about the sort of society with which it is prepared to deal although it cannot ultimately allow the Portuguese people to starve because of the inexperience of their leaders. It may be that the Armed Forces Movement can make its "people's committees" into an effective substitute for political action through the parties (though it will take time and will be a messy process). It may be that the parties themselves will be free to operate within the committees. If so, then the difficulties which the AFM has made for itself may be lessened. But these are palely inadequate substitutes for the social democracy Portugal could have had if the army had listened to the people.

—From the Guardian (London).

### EEC Summit

In the eyes of Giscard the monetary field furnishes the favorable ground apt to unblock the construction of Europe. . . For the French President, the source of all economic evils rests in the disintegration of the Bretton Woods system leading to the general floatation of currencies. . . It is urgent, Giscard will say, to go back to fixed parities that will restore steady trade flows. This is the indispensable step for dispelling the atmosphere of distrust in international economics. . . This scheme appears ambitious to our partners. . . Giscard actually wishes to remove tensions from the debate on energy and raw materials by this currency expedient.

—From Les Echos (Paris).

## In the International Edition

### Seventy-Five Years Ago

July 19, 1900  
PARIS—According to the latest dispatches from the Far East, the situation in Manchuria is very serious. The Chinese are reported to be overrunning the Amur district in Siberia, and although the Russians are said to have taken Aigun, it is evident that they will have all they can do to hold their own. The numerical strength and the resources of the Chinese are a veritable surprise to the Powers.

### Fifty Years Ago

July 19, 1925  
NEW YORK—"Ben Hur" will be presented to the American public in October. It is said to be the greatest film ever made and to have cost \$8 million, the highest sum ever spent on any film production. The cast, including Ramon Novarro who has the leading part, spent several months in Rome and Italy, where some of the filming was done. The idea was to film on the actual site of the story.



'Pst! Splash Around a Little—I Don't Know If He Saw You.'

## Where Are the Flowers Now?

By C. L. Sulzberger

LISBON—Portugal's revolution, whose ultimate course remains unclear, was historically both prompted and financed by the right-wing, army-supported dictatorship created by Antonio de Oliveira Salazar. The revolution has so far succeeded only in creating a left-wing military dictatorship.

A violent change had been prompted by the fact that Salazar left this country West Europe's poorest, least healthy and most illiterate, stuck with an untenable empire. Yet the revolution was backed by an emergency nest egg of almost \$5 billion in hard currency hoarded by the stingy strongman.

It was inevitable that the house of cards begotten by Salazar should tumble down and that the pretensions, costly imperial claims in Guinea, Mozambique and Angola should dissolve in violence and discouragement that finally focused here at home.

### Marxist Ideas

The professional officers, who had fought uselessly against the world's colonialist tide, brought back Marxist ideas nourished by their own bitter disappointment and mustered behind the temporary figurehead of Gen. Spínola to turn a new page.

As revolutions go, this one came in a bear market. The international recession hasn't made things in the least bit easy for the group of officers now running the show to the counterpoint of a confusion of argument among politicians—mostly in various Marxist shades. (Politicians include several returned from exile.)

Portugal is losing foreign exchange at the rate of about \$1.5 billion a year. This means that, under the flow can be starved, Salazar's nest egg won't last beyond 1978. Some aid and credits have been negotiated (including from the United States) but the ruling Armed Forces Movement finds itself forced to spend capital before any final decision has been taken on where the revolution is headed.

Because of endemic unemployment (near 10 per cent), about a million Portuguese have temporarily emigrated to West Europe in search of jobs. Remittances they send (which used to total about \$700 million—Portugal's largest source of foreign currency) have already shrunk more than 25 per cent and are steadily declining as the workers are squeezed back home. The No. 2 source of hard money, tourism, some \$400 million annually, has fallen perhaps 80 per cent.

Economically the country is hard hit. Although wages have been doubled, they still average little more than \$40 weekly because this is an underdeveloped land. Assorted labor troubles have caused shutdowns. Production has suffered; some foreign plants have closed; and the AFM decrees that workers shall not be discharged.

### Disaster

As a result, factories produce goods they cannot sell; inventories have climbed to an unhealthy degree, and firms threatened with bankruptcy are bailed out by nationalization. Workers are still on payrolls but the government is acquiring ownership of unprofitable properties as long-term disaster shapes up.

Added to this is the problem of returning refugees from former colonies. Day after day planes arrive loaded with families and their bundles, without funds or the promise of jobs. Ultimately they are to add extra social, economic and even security burdens (labored at disgruntled ex-soldiers).

Last year, following the initial phase of the "flower revolution" behind the facade of Spínola, the AFM issued a program stressing the three D's—decolonization, democratization, development. Decolonization has succeeded and basically the people are pleased. But democratization is a dead letter, caught up in party repulsions and factional divisions within the AFM itself. Development hasn't even begun.

Since March 11, when Spínola fled the country after an unsuccessful coup attempt to get back the power he had lost, the AFM has taken some genuine revolutionary steps. It nationalized banks and insurance companies which loomed large on the dictatorship's horizon because of Salazar's financial bias.

This move was well received;

most people correctly blamed the private institutions for Portugal's overall backwardness. The AFM also began land reforms.

But few important other social or economic moves have been made and freedom is vanishing. There are increased mutterings asking what the revolution is about. These are by no means answered by the plethora of exhortatory posters and slogans covering city walls. And in the north, which contains two-thirds of Portugal's nine million population, a reactionary church-lagging behind contemporary Spain's in secular outlook—dominates a very considerable body of opposition.

Because of these factors the revolution marks (unlike while the AFM seemingly consolidated military dictatorship while talking about austerity, wage restraints and the production battle. Economic chickens are coming home to roost. Before you can say Antonio de Oliveira Salazar they will be pecking away at the late dictator's reactionary nest egg.

## Ford-Reagan Talk

By William F. Buckley Jr.

NEW YORK—Gerald Ford is moving very quickly and very effectively to paralyze a challenge from the right, which up until now has meant a challenge from Ronald Reagan. There is, for one thing, the early announcement of Ford's candidacy for the November election. The first is that everybody knows Ford is engaged in political choreography, designed to narcotize the misgivings of the right. The second is that they anticipate his success—a Ford-dominated convention, and the nomination of Rockefeller. That is to say, the opinion makers are not yet convinced that Rockefeller is in real trouble.

### Waiting for Signs

Meanwhile, Ronald Reagan is in a quandary. Every day he loses—as he did during 1967 and 1968—potential support from key conservative figures. Take, for instance, Dean Burch. I haven't asked him, and won't; but who is prepared to say with any confidence that he would now be associated with Gerald Ford's campaign if Ronald Reagan had announced six months ago his own candidacy? The lesson goes on, and there are some who will say that already it is too late: that Reagan's vacillation has cost him the momentum he cannot now recover.

But Reagan has other things also to weigh in the balance. Better not to run at all, than to run a campaign that is purely symbolic. He has been waiting to see signs of Ford's weakness. And, a few months ago, Ford was very weak. But in these past weeks, things have been going better for him. Unemployment is not increasing, the rate of inflation is reducing, the loss of Indochina was substantially assimilated by the melodramatic rescue of a single cargo vessel, the Portuguese voted heavily against the Communists, the Mideast fuse continues to burn just this side of detonation, rather unconvincingly; and a rampaging Congress is suddenly, quietly, disciplined by executive

## World of Indifference And the Prague Winter

By Arthur Miller

ROXBURY, Conn. A curious people, the Czechs. Apparently always were. It took the mite, fog-swirling atmosphere of Prague to inspire the rabbi who invented the Golem, a man-made man. In Shakespeare's "King of Bohemia" is always weird and his country seems to be where reason's light ends in a purple mist. Franz Kafka, reading his stories aloud, is said to have choked with laughter—stories which the rest of the world reads with uneasy fear. Prague in the Middle Ages stands forth brooding alchemists, casters of spells and incantations. A city of unearthly beauty, but with its head screwed on funny.

It has always been hard to place the Czechs. The Nazi invasion of Poland causes England to at last declare war on Germany, but only a short time earlier at Munich she gave Czechoslovakia away to Hitler without a quail.

### Better Prepared

And the Czechs were far better prepared to resist the Germans and even more willing than the Poles were or would be.

Odder still, the Czechs served the Nazi machine as well or better than other subject people. Simply worked and went silent, as though they knew their fate was to work in silence somewhere in the world between East and West. Slavs in the Western imagination, German in the eye of the Slav. A nowhere-people.

They are not only odd to an American. In Hungary, not long ago, I found that their country's name created comments of silence. The Czech secret police, the Soviet installed regime, embarrass everybody committed to socialism.

Formerly a highly technologized society, for ages manufacturing her own cars, to say nothing of some of the finest weapons in the world, the country has been pushed back into a slovenly, spiritless gray.

### They Conform

The candid Hungarian, however, feels it necessary to remind you that the Czechs supported the Russian suppression of Hungary's nationalist Communists in the 1950s. The Czechs conform.

So it is odder still that it should be the Czechs who suddenly burst upon the socialist world with the notion of a new humanist content for Marxism, the Prague Spring.

Movies, plays, novels, poetry, the press, popular governmental leaders all proclaimed a new evolutionary step—you could, in fact, have a planned and directed economy along with an enormous richness of individual expression. But the Russians did not think so. Alexander Dubcek is now planting trees in a somber Bohemian forest.

With so much of the world moving under one or another version of Marxism, a great many people saw hope in the outbreak of creative vitality of the mid-sixties in Prague, a hope that transcended Czechoslovakia. If so industrious a people could discover room for the imagination within the exigencies of a

planned society, then the future might not be as dark and joyless as it seemed elsewhere. And maybe this is why the current crackdown on Czech writers and intellectuals has, or should have, a special significance.

First-hand reports that I have intimate reasons to believe state that the secret police have been methodically entering writers' homes and confiscating manuscripts, work-in-progress, clearing out their files. Some writers accept the opportunity to make recording statements on television, others commit a part of suicide by simply writing to the leadership repeating their commitment to a country run by Czechs for Czechs rather than the present system in which they say, nobody believes, a system that has converted the country into a permanently occupied frontier zone of the Soviet Union. One way or another the flowers of that long-gone spring are squashed underfoot.

So we have now a continuation of the Czech strangeness. There is no Czech lobby here or anywhere else. International PEN writes protests to Prague, but nobody there answers either to deny or erect a twist the facts as charged. Amnesty International cannot intercede because, unlike student leaders and some teachers, these well-known writers are not being jailed, merely castrated, and their children forbidden higher education. Those put away in the last few years are old tags now. Czechoslovakia exports its fine glassware and silence.

One evening a year or so ago I spent a few hours in the home of one of the writers who has recently been officially robbed of his manuscripts. Five or six others were there.

### Harassment

At one point the teen-age son of the host came away from the window and said that a car full of plainclothesmen had parked across the street. The news failed to arouse more than a moment's discussion. It was the "normal" harassment of a writer that a foreign writer's presence in the house had been duly registered.

But it blows like these fall with a certain dullness, the pain they cause is excruciating, lasting and debilitating. Some and by hospitals eaten out with ulcers, others simply weep tearlessly, and a very few scribble on, trying to live to something like truth for salvation. And many, of course, simply emigrate to flounder in strange tongues.

It is hard to say why, but perhaps we do owe them something. In a very real sense, for one thing, they are paying the price for the cold war's end and détente. And they least of all want to be the cause of U.S.-Soviet conflict again, for they are people with an extraordinary sense of responsibility, and a historic talent for seeing the wholeness of the picture. In short, from the socialist side no help is possible, and from the new Third World countries there is even contempt for their independence. And the West, they know, has other fish to fry without going out of its way to protect their condition. There is no political payoff in noticing them, not for either side. They are nobody's baby.

### Moral Issue

Which, paradoxically, purifies their case and makes it—God help them—a moral issue, the more so when so far as I know not one of them is anything but a convinced Marxist. For all other reason than that they are artists, many of them highly accomplished and capable of illuminating some of our common darkness, one can hold the regime to contempt.

In their springtime, eight years ago, they thought they had discovered the conjunctive point where socialism and spiritual complexity and freedom met. But what they glimpsed or thought they saw, is still remembered as an open track leading ahead.

A world outcrying in its increasingly dense organization, deadening each week to its own spiritual hopes may have needed these men and women more than it presently knows. It may be that something of our common life, as necessary to us as bread, is dying in the warm breath of a universal yawn.

Arthur Miller, the playwright, visited Czechoslovakia in 1968 just after the Warsaw Pact invasion and again in 1973. He wrote the article for The New York Times.



# New Architecture in Paris—The Worst in the World?

by Paul Goldberger

IS (NYT).—When skyscrapers began to edge their way to Paris a few years ago, it was a predictable outcry: being destroyed, said the aesthetes, and they predicted the City of Light to be indistinguishable from Manhattan in no time.

It has gone up in Paris the city ripe for reformation, and the outcome is what one might have expected. On the one hand, a city of skyscrapers is not being built. On the other, the new buildings in Paris have been designed to be as unobtrusive as possible, to blend into the existing urban fabric.

front to Seine

partly successful attempt to develop the city to the Seine. The new buildings are designed to be as unobtrusive as possible, to blend into the existing urban fabric.

On the surface, the new buildings are designed to be as unobtrusive as possible, to blend into the existing urban fabric.

are, incidentally, some of the most beautiful in the city. They are designed to be as unobtrusive as possible, to blend into the existing urban fabric.

## Sudden Enthusiasm for Iranian Art Hits the Market

By Souren Melikian

DOV, July 18 (UPI).—Prices for Iranian art were sky-high Monday at Christie's and Sotheby's, but there was no clamor for Western European art.

At the auction, the bidding and buying were done by Iranians—admirers of the art of their own country. The art was sold at a price that was a record for the market.

The compulsion to decorate surfaces seems quintessentially French. It runs through the history of the national architecture. Now the French seem to have decided to let it solve the problems of modern construction as well.

As a result, La Defense is full of buildings with fussy window designs, stamped-out panels, divided metal strips that have nothing to do with structure but are merely set in an abstract pattern.

This, too, is wrong, not so much in principle as in execution. Decoration done well is becoming increasingly common as we move away from the early modern movement's hatred of ornament.

Some of the new buildings in Paris have been designed to be as unobtrusive as possible, to blend into the existing urban fabric.

## Montreux Jazz Festival Lives Up to Its Name

By Henry Pleasants

MONTREUX, July 18 (UPI).—The 8th Montreux International Jazz Festival, having traversed blues, gospel and folk-rock for the past two weeks, finally arrived at jazz Wednesday night, with a line-up which, if not quite a Who's Who of jazz, came close to being a Who's Who of Norman Granz's Jazz at the Philharmonic caravans of a generation ago.

Appropriately billed as a "Tribute to Norman Granz," the long concert, in a variety of combinations, presented Louis Bellson, Keter Bells, Benny Carter, Eddie "Lockjaw" Davis, Roy Eldridge, Tommy Flanagan, Dizzy Gillespie, Milt Jackson, Joe Pass, Niels Pedersen, Oscar Peterson, Zoot Sims, Clark Terry and Toots Thielemans.

Not all of them had played with Jazz at the Philharmonic, but most of them had, and even those who hadn't fitted easily and fluently into the packaged jam session format with which Granz pretty much single-handedly brought jazz from its native nightclub and dance hall habitats into the concert hall, earning it a new respectability that it has enjoyed ever since.

Zaman's style—as the father of the later Qajar style, his work is now eagerly sought. However, Christie's considered the box to be 19th-century—despite the inscription on the box which Zaman used as his signature. This did not deter a Tehran dealer from cheerfully paying \$5,925 for it.

look gimmicky; those around the Place d'Italie, another development area, look tiny, and the Mairie-Montparnasse tower—the symbol, to foreigners at least, of Paris gone wrong—looks like the building that starred in "The Towering Inferno."

Unfortunately, the situation is not much better with regard to housing. Modest apartments are springing up, particularly in the increasingly fashionable 15th Arrondissement, and are being marketed with an aggressiveness that resembles American buildings: as in New York, the style is added by the public-relations man, not the architect.

More interesting are the new towns being built in the environs. Like the guidelines restricting skyscrapers to the city's edges, they are good in principle. Most

important, they are a device to prevent urban sprawl by concentrating development in the rapidly growing region into five small areas. The problem, again, is in execution.

The new towns are in varying stages of completion, and none is more than a few years old, so it is far too early for a final evaluation. Architecturally at least, the outlook is not promising. The same tendencies that apply in large-scale commercial architecture—silly gimmicks of surface decoration instead of any real understanding of materials, spaces and architectural form seem to apply.

Much of the housing makes lavish use of color, so the French preoccupation with surfaces begins to pay off. Color is being used as a crutch; since the architects seem to have no better ideas, one is grateful for at least this injection of life. Brash color is

particularly evident at Cergy-Pontoise, a new town northwest of Paris where the police station is a bright royal blue, a school has yellow, red, green and purple wings and an apartment tower is in several shades of blue, growing lighter toward the sky.

Much of the color architecture is the work of younger Frenchmen, who are applying color to casual angular forms like those used by such architects as Charles Moore in the United States, deliberately rejecting the formality of much French design.

This group takes its cue from Emile Aillaud, 72, the leading "enfant terrible" of postwar French architecture. His buildings are the only ones going up in this country these days that even approach real wit, and it is a positive sign that his influence is gaining.

Why is the situation so bad? In part, architecture, like that in New York, is largely controlled by developers. Eager to ride the boom of the mid-1960s, the government imposed few restrictions on development. Real-estate entrepreneurs, in the words of a commentator who compared city planning to a self-service restaurant, were invited to help themselves to Paris. Such an arrangement rarely yields design quality.

This is a problem shared by the United States, yet the standard is even lower in France. One reason may be the French outercourage, which seems to discourage any innovative design that does not fit into narrow building codes. A still deeper problem may be the strong hold of the traditional Académie des Beaux-Arts held on architectural education for so much of this century; while the Beaux-Arts exerted a powerful influence worldwide, it prevented France from developing a strong tradi-

tion of capable modern designers when other countries were doing so. Modern architecture, in other words, was considered totally unacceptable for far too long, and now that it is in demand, there is little the French seem to be able to do except lift examples from other countries and add a few surface frills.

All is not a wasteland architecturally. The new modern art museum, Centre Georges Pompidou, a structure of glass and steel trusses due for completion in 1977, will be of international significance. And the French continue strong in their odd talent for the creation of fascinating science-fiction-like modern spaces, most recently in the new Charles de Gaulle Airport, where plexiglass people-moving tubes crisscross in a large central space. Lastly, there is a growing amount of pressure in Paris to halt care-

less speculative development before the special qualities of the city are lost.

What has happened in and around Paris is perhaps the ultimate irony, given the history of modern architecture. In 1923, Le Corbusier, the Swiss-born architect who became France's greatest in modern times, proposed that much of Paris be demolished and a series of huge towers, widely spaced, be erected in its place. The misguided proposal, rejected as unthinkable, became the basis for the "tower in the park" approach to urban renewal around the world. Now in the form of La Defense and the other developments, it has come to roost in Paris at last.

Paul Goldberger is an architecture critic for The New York Times.

ST. TROPEZ, France—Rhoda Scott and Earl (Fatha) Hines will be among the featured performers at the festival on July 24.

FRANKFURT—Blues singer Champion Jack Dupree will be at the Historisches Museum on July 20 at 11 p.m. Admission is free.

Stan Kenton and Buddy Rich came to France in the music world when they recently attacked country and western music as "ignorant and perverted (music) that appeals to the minds of four-year-olds." Nashville musicians called the attack "outrageous" and "unfair" and Olivia Newton-John, the top country and western female vocalist for 1974, dismissed the outburst as "ridiculous."

This week's top singles are, in the United States: "The Hustle" by Van McCoy; and in Britain: "Tears On My Pillow" by Johnny Nash.

—FRANK VAN BRAKLE.

—FRANK VAN BRAKLE.

—FRANK VAN BRAKLE.

—FRANK VAN BRAKLE.

Two grand ladies of song figure in the Aix program. On Bastille Day, something like 8,000 people crowded into the Place des Cardeurs to hear Ella Fitzgerald deliver some of her best familiar numbers, while in the Roman theater at Arles—where the Aix program has now spread geographically—Montserrat Caballé is drawing 3,000 or so a night for four scheduled performances of Rossini's "Elisabetta, Regina d'Inghilterra."

This enterprise probably has more to do with the fact that the Arles theater is one of France's great Roman ruins than with its suitability for opera, and Caballé's first appearance in the part is perhaps more related to an upcoming recording than to the intrinsic merits of this semi-serious Rossini rarity. At last Saturday's performance, the Spanish soprano moved rather heavily through the coloratura demands of her regal part, although she produced some ravishingly beautiful and sensi-

tive singing in the duet with Matilde (Valérie Masterson) and the trio with Matilde and Leontyne Price (the Swedish tenor, Gösta Winbergh). In the other two tenor parts, Jean Dupouy gave a good account of Guglielmo's music, but Ugo Benelli was considerably out of his depth in the fiercest difficulties of Norfolk's music.

Bernard Arnould's pseudo-Elizabethan wooden stage had a center frame and two wings with scenic elements mounted on revolving and sliding panels, ingenious in themselves but ill-suited to the needs of the work, while Jean-Claude Aubry's staging was at best a workmanlike job of traffic direction in an uncomfortable playing area. From the most distant and elevated seats the word on the acoustics was favorable, but from close up, it seemed that conductor Gianfranco Masini had his expert hands full just keeping his troops together. They included the Strasbourg Philharmonic and the combined choruses of the Strasbourg and Monte Carlo operas.

—FRANK VAN BRAKLE.

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## With Rate of 30% Forecast

**K. Inflation Hits Record 26.1%**

by Peter Kilborn

ON JULY 18 (NYT).—Inflation has begun to accelerate in the United Kingdom, still another record in last month, the government reported today.

Prices in June were 26.1 per cent above their level a year ago and were 1.9 ahead of May. Economists here widely expect the rate to climb even

higher—some say to 30 per cent before the end of the summer because massive wage increases not earlier in the year have still to work their way through to the marketplace.

But by early fall, the inflation that has wracked this country for two years may finally begin to recede. "There are realistic hopes of halting the rate of inflation within a year or so," said a senior economist of a leading British bank.

**British Bank Reports Big Loss  
Property Market Collapse**

ON JULY 18 (AP-DJ).—A massive loss of \$60.86 for Keyser Ullmann Holdings, a merchant bank, for the year ended March 31.

Wild, chairman, said the company's losses result from "a mistaken policy one short but disastrous of its history." He added, all not repeat that mis-

management led to a massive loss of \$60.86 for Keyser Ullmann Holdings, a merchant bank, for the year ended March 31.

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**Rothschild  
To Sell Unit  
To Amex Intl.**

PARIS, July 18 (IHT).—Consortium banking—once the rage in the international market—looked another step backward today as Amex International announced it was taking over Rothschild Intercontinental Bank Ltd.

Amex, the merchant banking arm of American Express Co., is understood to be paying about \$12 million for RIB. The consortium bank was formed nine years ago with N.M. Rothschild of London the principal shareholder.

Subsequently other banks joined and today there are 11 owners. N.M. Rothschild of London is the largest shareholder with 23 per cent. Banque Rothschild of Paris owns 6.3 per cent as do Amsterdam-Rotterdam Bank and the Banque de Bruxelles-Lambert.

Three medium-sized U.S. banks each hold just over 11 per cent, as does the Industrial Bank of Japan. The remaining interests are held by Banque Privée de Genève, Sal. Oppenheim Jr. & Co. of Cologne and Eagle Star Insurance of London.

Spokesmen for the banks involved assert that the sale was necessitated by RIB's need to grow and the inevitable conflict such growth would mean with the parent banks.

"Separating medium-term operations from other banking services has just not without the test of time," said one of the executives involved. "The future for such a bank was clearly with a single shareholder."

Amex, on the other hand, specialized in project financing and officials claim that the RIB takeover will be a step forward in Amex's expanding merchant banking operations.

However, in the view of bankers not connected with the takeover, the move was seen as one more ripple from the banking crisis set off by the failure of Bankhaus Herstatt in West Germany.

Consortium banks were especially hurt by the crisis as lenders became wary of depositing funds with institutions where the ownership and responsibility were scattered. Banks without a natural source of dollars were also seen at a disadvantage as the bulk of the Eurocurrency lending is done in dollars.

Rothschild officials deny that RIB had to pay a premium to buy funds and maintain that its loan portfolio is balanced between dollars, sterling, deutsche marks and Swiss francs. It reported a profit of \$13 million in its last fiscal year.

**Factory Operating Rates  
In U.S. at 30-Year Low**

WASHINGTON, July 18 (AP-DJ).—U.S. factory operating rates fell further in the second quarter to a new low for the post-World War II period, the Federal Reserve Board reported today.

The nation's manufacturing industries operated at only 65.4 per cent of theoretical capacity in the April-June period, down from 68.2 per cent in the first quarter and 80.1 per cent a year earlier, the Fed said. The latest capacity-utilization rate was the lowest on records dating back to 1943, and a Fed analyst said the rate probably had not been lower since the Great Depression of the 1930s.

The operating rate in primary processing industries edged to 66.4 per cent of capacity in the second quarter from 68.9 per cent in the first period, while the rate in advanced processing industries declined to 65.3 per cent from 67.9 per cent. The figures are somewhat misleading, however, because even in economic booms the rates do not approach 100 per cent. The peak rate for all manufacturing in 1973 a boom year was 83.3 per cent.

In a separate report, the Fed said the operating rate in 13 major materials industries, such as steel, paper and chemicals, inched up to 70.2 per cent in the June quarter from 70 per cent in the first period, but it was far below the 90.2-per-cent rate of a year earlier.

**U.S. Sees World Food Stock  
Rise After Record Grain Crop**

By Dan Morgan

WASHINGTON, July 18 (WP).—The Department of Agriculture forecast yesterday a small build-up of the world's depleted food stocks in the coming year thanks to a predicted record U.S. output of 933.9 million tons (824 million metric tons) of wheat, corn and other cereals.

Officials made clear they hoped the report—which assumes total Soviet grain imports of 15 million tons, 13.5 million metric tons—would help calm a widening debate on American grain export policy and its impact on prices at home. The department's 36-page report is a major study of the 1975 global grain situation.

The issuance of the report was unrelated to the current negotiations between U.S. grain companies and the Soviet Union. In the last two days the department has confirmed sales totaling 32 million tons (29 million metric tons) of wheat to the Russians by Cargill Inc. of Minneapolis and Cook Industries Inc. of Memphis.

Also, Canada, which handles all its foreign grain trading through a government board, announced yesterday it had sold the Russians 2 million tons (1.8 million metric tons) of wheat.

There were unconfirmed rumors that another U.S. company, believed to be Continental Grain Co. of New York City, is negotiating to sell 4 million metric tons

of corn and 1 million tons (907,000 metric tons) of non-U.S. barley in the Russians.

The Agriculture Department predicts the Russians will need 7 million tons (6.3 million metric tons) of wheat from all foreign sources, of which 5.2 million tons (4.7 million metric tons) already have been ordered.

The huge Soviet grain imports of 1972, which totaled 18 million tons, including some 15 million tons (13.5 million metric tons) from America, pushed U.S. domestic food prices up. Wheat, which sold for an average \$1.62 a bushel then, rose to \$4.40 a year ago.

Rep. James Weaver, D-Ore., recently introduced a bill to substitute the government for private grain traders as the seller of grains and soybeans abroad.

U.S. Being Duped  
Rep. Weaver said yesterday that the "generality that were better prepared than in 1972 to completely wrong." He said the United States is being "duped" by misleading statistics issued by the Department of Agriculture and added that the agency was "playing brinkmanship with our food supply."

According to Agriculture Department senior staff economist Dawson Abate, the report issued on the global grain outlook justifies cautious optimism about the coming year.

The private placement relieves some of the demand on the domestic capital market and should make it easier to raise the remainder of the year's financing required by Bell operating companies," said a brief AT&T statement that quoted Charles Brown, the company's executive vice-president and chief financial officer.

Negotiations Since April  
Negotiations for the loan were under way since April, the company said, with the interest rate set April 28. AT&T was represented in its negotiations with the Saudi Arabian Monetary Agency by the First Boston Corp., an investment banking house.

Although it was not a legal requirement, it was learned here that AT&T had advised the U.S. government through the new Federal Interagency Committee on Foreign Investment in the United States, of its plan to borrow the money. In Washington, the assistant Treasury secretary, Charles Cooper, who serves as acting chairman of the committee, said the loan was viewed as "a normal monetary transaction" and in no way an attempt by the Saudi government to gain an influential financial position in AT&T as a creditor.

Fred Clay, a spokesman for AT&T, said the company viewed its action as a move in keeping with the federal government's urging of "recycling petrodollars."

**Loan Demand  
At N.Y. Banks  
Falls in Week**Data Seem to Indicate  
Recovery Will Be Slow

By Terry Robards

NEW YORK, July 18 (NYT).—The Federal Reserve Bank of New York reported yesterday that business loans at leading New York City banks declined for the second consecutive week, indicating that economic activity remained sluggish despite widespread anticipation of a national recovery.

Although a two-week trend can hardly be regarded as conclusive, the Fed's report gave support to economists who have been contending that the recovery would be slow.

The Fed said business loans, representing the borrowing activity of industry through major New York banks, had fallen \$2.7 million in the week ended Wednesday, bringing the two-week decline to \$14.4 million.

The latest dip brought the decline in such loans since the first of the year to \$4.15 billion, compared with an increase of \$6.1 billion in the comparable period of 1974. The falloff this year reflects inventory liquidations by corporations due to slack consumer demand resulting from the recession.

The Fed also reported that the narrowly defined money supply, meaning currency in circulation plus checking account balances, had edged upward \$100 million in the July 5 week. The increase followed the sharp decline of nearly \$1.5 billion during the previous week.

The drop had raised speculation that the Fed was finally making progress in reducing the substantial growth in the money supply that had been occurring for most of this year. The increase of \$100 million in the latest statement week was so slight that analysts did not consider it significant.

The money supply averaged \$299.5 billion in the July 5 statement week, up from \$292.4 billion in the previous week. As a result, the money supply showed a 10.3-per-cent annual growth rate over the latest statistical quarter—far above the Fed's stated goal of a 5 to 7.5-per-cent annual rate.

Meanwhile, short-term interest rates fell slightly in the week ended Wednesday following an increase during the previous statement week. The average rate on federal funds, reserves that banks lend one another overnight, fell 13 basis points to 5.93 per cent, the lowest since the 6.72 per cent in the June 23 statement week.

AT&T Gets \$100-Million Loan  
From Saudi Arabia at 8.4%

By Reginald Stuart

NEW YORK, July 18 (NYT).—The American Telephone and Telegraph Co. has received a \$100-million loan from the government of Saudi Arabia, the company said yesterday.

The six-year note, bearing an 8.4-per-cent interest rate, is the first such financing of its type by AT&T, which has usually restricted its borrowings to domestic financial markets.

"The private placement relieves some of the demand on the domestic capital market and should make it easier to raise the remainder of the year's financing required by Bell operating companies," said a brief AT&T statement that quoted Charles Brown, the company's executive vice-president and chief financial officer.

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French Jobless Rate Up  
PARIS, July 18 (Reuters).—Unemployment in France rose to 677,500 out of an estimated working population of 22.1 million at the end of June—an increase of 42,800 over May, the government announced today.

**Citibank Lifts  
Prime Rate to  
7.50 Per Cent**

NEW YORK, July 18 (AP-DJ).—First National City Bank today raised its prime lending rate for the third consecutive week today, from 7.25 per cent to an industry high of 7.5 per cent.

About 10 other major banks raised their prime rates to 7.25 per cent today to make that the banking industry norm. Chase Manhattan and a dozen other big banks had already posted the 7.25-per-cent rate this week, following Citibank's move of last Friday.

The 1.4-point increase in the rate Citibank charges on loans to its most creditworthy business borrowers is effective Monday, the bank said.

The prime rate is not directly related to consumer or mortgage rates, but changes in the prime rate often signal similar trends in those other borrowings.

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**PEOPLE.** *Ex-Ford Executive Says*

**PEOPLE:** *Ex-Ford Executive Says Firm Drove Him to Drink*

John Jay.

I offered help of any kind." Ford officials declined comment on the suit. Brennan is now a business manager for "Great House, a treatment center in Michigan for alcoholic priests. He no longer drinks.

\* \* \*

President Nikolai Podgorny

Michael Butler, producer of "Hair," has been charged with possession of opium pills and dangerous drugs. Santa Barbara, Calif., sheriff's deputies said they had found some 3,000 pills growing at Butler's home. The hold off on the charges until a botanist had examined the

\* \* \*

Rabbi Baruch Korff says that he will resume his fund-raising efforts on behalf of Richard Nixon. Rabbi Korff said that the former president at

Drummer Buddy Rich has canceled a monthlong tour of South Africa by his band because the government would not issue a work visa to bassist Ben Brown, year. Now confined to a wheelchair, Justice Douglas is having therapy at New York's Institute of Rehabilitation Medicine where he has just completed a volume of his autobiography, "The Court Years."

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